

BUSINESS WEEK

AUG. 10, 1946

TECHNOLOGY DEPT.

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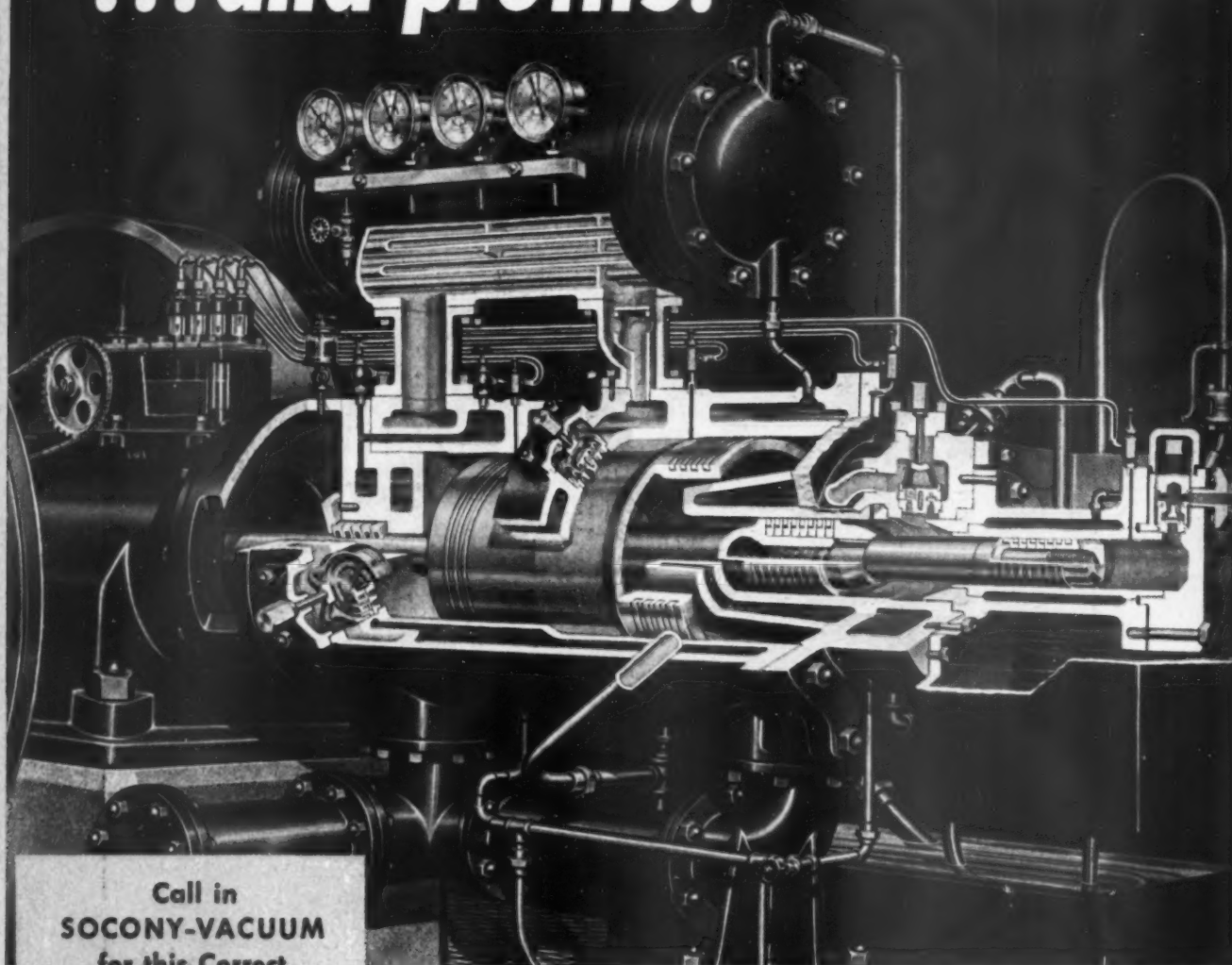


Los Angeles: The city unlimited (page 21)

BUSINESS
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BUSINESS WEEK • Aug. 10, 1946

STILL LOOKING INTO THE FUTURE

YESTERDAY...

wirebrushing was tops

Yes... yesterday wirebrushing structural steel to prepare a base for shop coats was the method preferred by steel fabricators. But it had its drawbacks: It was costly... slow... primer coats cracked and lifted, and had to be replaced at frequent intervals.



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*it's flame cleaning
and dehydrating!*

Now, better bases for protective coatings on structural steel are prepared rapidly by this modern oxyacetylene process which slashes costs more than 75%. Developed by Airco in cooperation with a large steel fabricator, flame cleaning and dehydrating completely frees the surface of rust and scale... drives out all hidden moisture and produces a dry and warm surface from which primer coats will not crack and lift.



AND TOMORROW...?

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aircraft, automotive. Exides are cranking Diesel engines, supplying emergency lighting, performing many other tasks. And on millions of cars, trucks and buses, they continue to prove that "When it's an Exide, you start."

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WASHINGTON BULLETIN

PRICE COMPLICATIONS

There's a sleeper in the price control bill that has OPA lawyers scratching their heads. Slipped into the bill while it was in conference in order to avert a blockade on hide imports resulting from the breakdown last month of international control of the hide market (page 26), the clause is so broadly written that it threatens to cause price complications in a whole range of basic products. Particularly affected are non-ferrous metals, of which the United States is an importer.

Appropriately labeled 10-X, the clause requires that price ceilings on imports of any commodity important to the economy be lifted to the world price in cases where the imports are significant.

Both OPA and the metal producers are horrified by the thought of the complex market which would result from a fluctuating price on imported metal and a fixed price on domestic, but it's hard to see how they can avoid it. OPA will probably try to minimize the effect by ruling that the law covers only goods of which a very large proportion are imported, but even this would still make trouble for copper, lead, and zinc.

Stockpiling May Suffer

With OPA standing firm on its refusal to decontrol hides and leather the check on inventories which Reconversion Director Steelman has ordered CPA to undertake will not alter the shoe situation.

As long as OPA insists on maintaining ceilings far below world prices on hides and skins, and leather made from them, it will have to develop a check on imports together with complicated cost and price systems for shoes, almost all of which contain domestic and foreign leather. Anything less than this—and short of complete decontrol—would leave the price structure of the industry so chaotic as to impair production seriously.

OPA, however, has taken the position that domestic hide production is simply a byproduct of meat packing and that, figured on such a basis, the June ceilings are plenty high enough. Instead of offering price incentives, OPA is trying to restore the hide market by sickening CPA compliance inspectors and the Justice Dept. onto suspected hide-hoarders.

RFC's Metals Reserve Co. is worried, too, about the effect on its stockpile program. It has been paying a small premium to foreign producers but lately has found the foreigners reluctant to renew contracts. If commercial U. S.

buyers are freed to bid up prices, RFC will have an even harder time negotiating.

JUNIOR PURGE

The Pendergast machine has come through for Truman. That, more than P.A.C. support, is the significance of the defeat of Roger C. Slaughter in the Missouri primaries. Caught out on what looked like an untenable limb, by his unreserved denunciation of the Slaughter candidacy, the President appealed for rescue to his old associates. In taking care of him, they reestablished the ascendancy in Missouri of the Pendergast group over the Shannon machine, which supported Slaughter.

Truman has thus completed a sort of junior purge. He regarded three men—Slaughter, Lyle H. Boren of Oklahoma, and Howard Smith of Virginia—as the ringleaders in the informal House coalition between Republicans and southern Democrats. He never had any hope of defeating Smith, who won his usual primary victory this week. But he has dealt with Slaughter, and an underground campaign against Boren was successful several weeks ago.

HIGGINS INQUIRY

A lot of people in Washington had thought about investigating Andrew Higgins before the Justice Dept. moved in on him at New Orleans this week.

Although no one discounts his accomplishments in production of PT boats and landing craft, his \$60,000,000 unproductive ventures into Liberty ship and airline building inevitably suggested a going over. But the Mead and other congressional investigating committees have been nervous about Higgins' close personal association with Roosevelt. They feared embarrassing bypaths.

A Justice Dept. probe doesn't have to be conducted in the same goldfish bowl as a congressional inquiry.

ISOTOPES FOR INDUSTRY

Radioactive isotopes may be available in fair quantities within a year for use in routine control of industrial and chemical processes. At present these common elements, which have been modified so that they emit a detectable radiation, are available from Manhattan District only for high-priority experimental use, particularly medical and biological studies.

First shipments were made only last week (page 36), but the supply will increase rapidly as facilities at the Oak Ridge Clinton Laboratory are stepped up and, possibly, as use is made of the big chain-reacting uranium piles at Hanford.

Considerable interest has already been expressed by industry, particularly by oil companies—including Standard of California, Houdry, Shell, Socony-Vacuum, and Gulf. Other interested firms include du Pont, G. E., American Cyanamid, Detroit Edison, U. S. Rubber, B. F. Goodrich, American Smelting & Refining, Bell Telephone, RCA, Johnson & Johnson.

FISCAL TEAMWORK

The 79th Congress was so interested in improving fiscal liaison between the White House and the Capitol that it did the job twice—and Washington is wondering whether the two forms of policy-making which were set up will work together or at cross purposes.

On a lofty economic plane there is now an executive-legislative team consisting of the new National Economic Council (BW—Aug. 3'46, p7) and its congressional opposite number, the Joint Committee on the Economic Report. A major function of this team is to recommend deficit or surplus financing for the government according to the state of the economy.

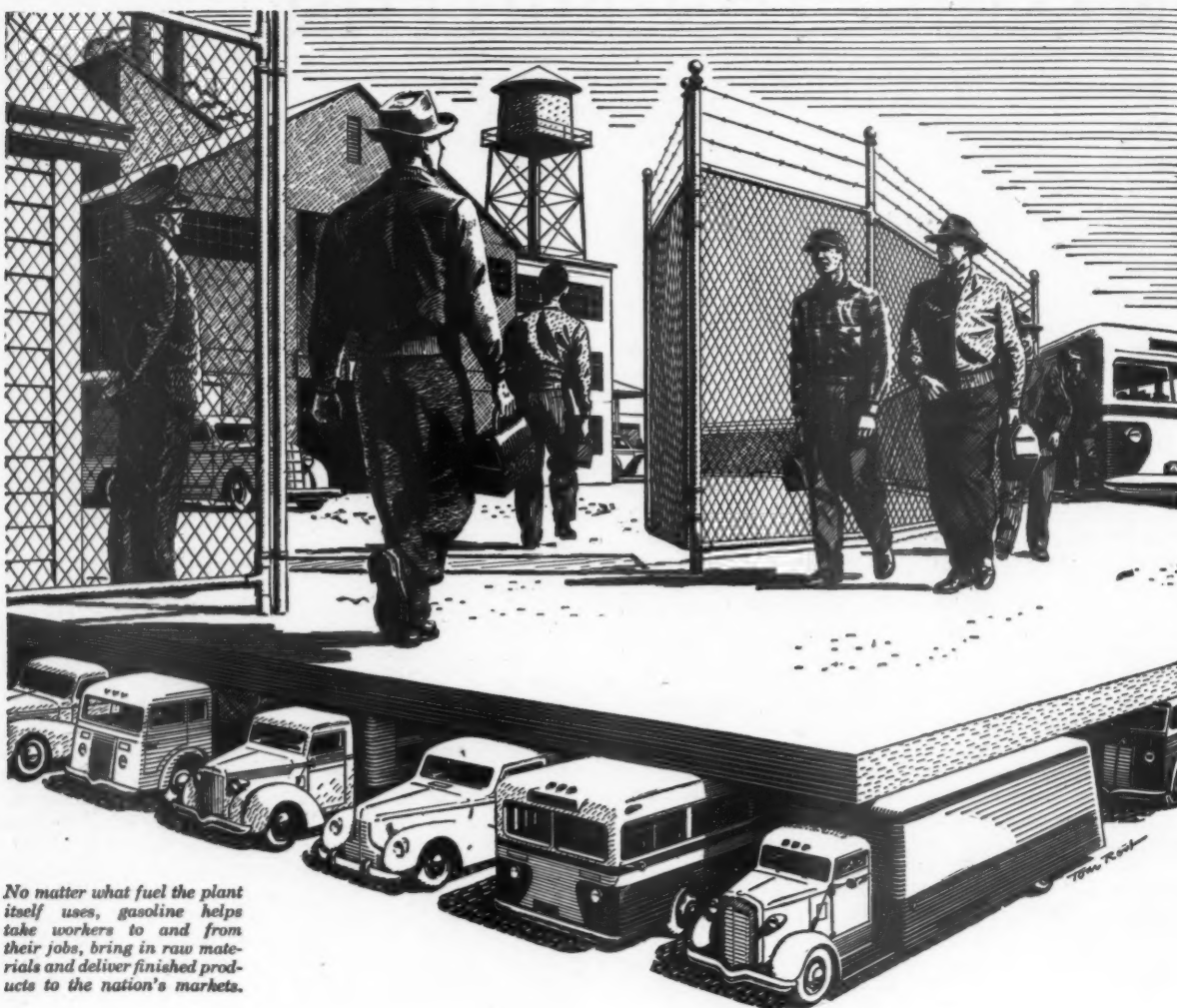
At the grubby dollar-and-cents level is the President's Budget Bureau matched up with the congressional committees on appropriations and ways and means, newly strengthened and tied together by the congressional reorganization law.

With the federal budget now struggling from a war-deficit to a debt-retirement basis (page 15), and with the possibility of deficit financing again some day if deflation rears its head, it would be surprising if the two teams kept their ideas 100% synchronized.

RUSSIAN LOAN WORRIES

State and Treasury Dept. officials are beginning to worry about the possibility of opposition by U. S. manufacturers to the Administration policy of holding off on the proposed billion-dollar loan to Russia pending settlement of political differences.

They're afraid their leverage in eventual negotiations with the Soviets will be weakened if U. S. firms expecting to do business with Russia in the next few



No matter what fuel the plant itself uses, gasoline helps take workers to and from their jobs, bring in raw materials and deliver finished products to the nation's markets.

Industry runs on gasoline

IT WOULD be impossible to draw a complete picture of modern industry without including cars, trucks, buses and other types of gasoline-powered equipment. Gasoline transportation is so much a part of the American industrial scene that *everyone* benefits each time its cost is reduced.

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organizations have always worked closely both with refiners who use our product and with engine builders who are eager to get the most out of every improvement in gasoline quality. Ethyl Corporation, Chrysler Building, New York 17, N. Y.

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WASHINGTON BULLETIN (Continued)

years show signs of disturbance over the agreements negotiated in recent weeks for long-term Russian purchases of heavy machinery and electrical equipment from Sweden and Switzerland.

DISTILLERS' MAKINGS

After a week of soul-searching while it held up the whisky distillers' August grain quotas, the Dept. of Agriculture has made a small concession to the complaints of old-line firms that assignment of quotas on the basis of postwar capacity gives an unfair advantage to newcomers who expanded during the war.

Particular target was Publicker Alcohol, an industrial alcohol producer before the war, whose wartime expansion resulted in giving it 28% of the industry's grain allocation.

The older firms had urged that allocations be based on prewar capacity. The department refused to go along with this, stuck to postwar capacity, but compromised on an adjustment that has the effect of pulling down Publicker's allocation more than other distillers'. Instead of using as a base the best single day in 1945, it will now use the average of the best five consecutive days in that year.

This also has the effect of slightly disguising a cut of some 15% in the total industry allocation, since grain for three of the new, and necessarily smaller, base days is allowed in August, the same number of days as in July.

At the same time, the department cracked down on the thriving speculation in grain quotas by forbidding transfers of quotas except in hardship cases.

JOB WOOS NELSON

President Truman wants Donald Nelson to take a job helping the Army & Navy Munitions Board decide which of the remaining war plants to hold in standby and which to dispose of.

Nelson has turned down several Washington job offers lately—notably the surplus disposal job—but it is assumed that this is one he'd like.

It could develop into a guiding spot in the growing program of industrial and technical mobilization for an interwar era.

STINGER EXTRACTED

Metal miners are congratulating themselves over the impending resignation of Dr. Reginald Dean as assistant director of the Interior Dept.'s Bureau

of Mines. Dean, whose influence has waned since the departure of Secretary Ickes, is getting out one step ahead of the executioner, to open a consulting office. His mining division of the bureau, long an irritation to the industry, is to be drastically cut down.

The miners have attributed to Dean much of the responsibility for Interior's policy of staving off exploitation of mineral-bearing public lands, and they have resented his promotion of pet technical ideas such as the sponge iron process which he propagandized during the war.

POST-SUPERSENIORITY

Employers who disregarded union contracts in following the ruling of Selective Service that veterans have super-seniority must now restore the displaced worker to his job (if he wants it

and the contract entitles him to it)—and may even have to pay claims for lost wages.

This wage liability results from the failure of Congress to complete action on union-opposed legislation which would have absolved employers from blame for accepting Selective Service's statement—later overruled by the Supreme Court—that war veterans were entitled to their old jobs, irrespective of any union agreement to the contrary.

NWSB LINGERS

Asked by Truman to defer their resignations, industry members of the National Wage Stabilization Board will continue to serve until NWSB's tripartite structure, or the agency itself, is junked. This may occur even before the expiration of price controls, which

Keen Johnson's Role Cheers A.F.L.

Appointment of Keen Johnson as Under Secretary of Labor fits into the right-of-center pattern of President Truman's personnel moves in recent weeks (BW—Aug. 3'45,p7). It is the final step in a postwar strengthening of the Labor Dept.—a program of which a key feature is to cut down the strong C.I.O. influence and make the department more acceptable to the A.F.L.

• **Double-Edged**—The Johnson appointment works two ways. It removes C.I.O.'s John W. Gibson from the No. 2 spot in the department, which he occupied on a temporary basis, and puts him on a parity, as an assistant secretary, with A.F.L.'s Philip Hannah.

At the same time, Johnson himself is enthusiastically welcomed by the A.F.L. As governor of Kentucky he established a solid in with the federation, particularly the mine workers. Also, the federation likes his connection with Reynolds Metal, which has a closed A.F.L. shop. Johnson is a vice-president of Reynolds, specializing in Washington contact work. He is also Democratic committeeman from Kentucky and a small-town newspaper publisher.

• **C.I.O. Remembers**—Although the C.I.O. is keeping quiet, not wanting to antagonize a man it will have to deal with, it remembers that Johnson made and won his 1939 race for governor on an anti-C.I.O. platform.



Keen Johnson

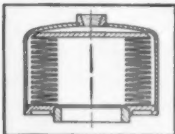
There is little ground for the speculation that the ambition of John Steelman, Reconversion Director, to be Secretary of Labor some day has been undercut. Johnson has little idea of staying in Washington long, is still on leave from Reynolds. He abandoned a cherished dream of running for the Senate this year to stay with Reynolds, and, according to report, it was only presidential intervention with Reynolds that induced Johnson to take the new job.



This tremendously powerful rocket engine developed for our Navy by Reaction Motors, Inc. offers new promise of supersonic speeds in the near future... of planes that are gone before we hear them coming!

Included in the propellant and pressure control valves of this 210 pound, 8,000 horsepower engine are eight JetFlex bellows assemblies.

Another pioneering MagniLastic development, JetFlex bellows are solving many advanced design problems for lightweight, flexible, high temperature exhaust systems on ram jet, rocket, turbo jet, diesel and reciprocating engines. Vibration dampened, all-atomic welded of Stainless Steel or Inconel, and built for temperatures up to 2,000° F., JetFlex bellows can also be incorporated into complete tail, valve, or exhaust assemblies to specifications.



Inquiries for further information from interested designers and manufacturers are invited.



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form the basis for wage regulation. With the wage control job diminishing to a mere matter of applying a formula, a government administrator may take over from the tripartite board.

TEXTILE WINDFALL

The RFC's proud announcement that it was contributing about 1,000,000 men's suits to the market by the release of 7,500,000 yd. of surplus Army textiles is being heavily discounted in industry circles.

The fabrics which RFC is making available to some 300 to 500 small manufacturers (on application before Aug. 17) includes much that is unsuited to the trade. Furthermore, manufacturers say they can't get the labor to process the goods now available, let alone to make the million extra under-\$30 suits envisioned by the RFC.

Biggest current demand is for cottons. But of the varied weights being released by the RFC—supposed suitable for pockets, linings, and waistbands—1,240,000 yd. is armen cloth, developed for arctic use, which the manufacturers say is suited mainly for pressing cloths. A third of the RFC fabrics is 20-oz. wool melton, ordinarily too heavy for suits and too light for overcoats.

The 200,000 yd. of 14-oz. wool coverts are enough for about 61,500 garments, and the 250,000 yd. of 36-oz. melton would make about 100,000 overcoats.

Estimated production of men's suits this year ranges from 22,000,000 to 28,000,000, with a possible demand of 40,000,000.

CAPITAL GAINS (AND LOSSES)

Buyers are tumbling over themselves to buy crated Army gliders, which can't legally be flown, for \$75 each. The lumber in the crates is what they want.

—Business Week's
Washington Bureau

THE COVER

Wilshire Boulevard, Fifth Avenue of the West, affords the main connecting link between the glamor that is Hollywood and the aggressiveness that is Downtown Los Angeles. And these two qualities—glamor and aggressiveness—go far to explain the phenomenon that is the Coast metropolis.

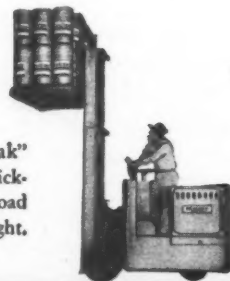
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THE OUTLOOK

BUSINESS WEEK

AUGUST 10, 1946



The consumer's end of the long production pipeline finally is beginning to fill up.

For the past year, business inventories have been growing steadily, and during the last couple of months, the biggest increases have been in finished goods—the ready-to-sell durables and semidurables that retail buyers have been waiting for.

Business now is building up its inventories at a rate of at least \$4 billion a year, probably more. The Federal Reserve index of department store stocks hit 205 in June. It stood at 136 at the end of 1945.

It's the composition of current inventories that counts, not the total amount. Growth actually was a good deal faster in the first stage of reconversion when manufacturers were scrambling for raw materials and turning out little in the way of finished goods.

In the second half of 1945, business managed to up its civilian inventories by something like \$4 billion (an annual rate of \$8 billion). But most of this went into materials and work in process—the producer's end of the pipeline.

Statistics being what they are, this doesn't show up in total inventory figures. The gradual liquidation of war contract inventories masked the accumulation of stocks to be used in civilian work.

The sight of goods on retail shelves and in wholesalers' warehouses is bound to make some people think that business is overstocking, letting itself in for another inventory collapse like the one after the First World War.

There's no sign of any such recession now, nor any prospect of one for a good while to come. It's just that buyers and sellers alike have forgotten how it feels to do business with a little elbow room.

In comparison with sales volume, inventories still are painfully short. Raw material supplies are not even adequate, let alone comfortable.

Total inventories today are around \$7 billion short of what they, perhaps, should be for everybody's convenience and comfort. At present rates of accumulation, it would take almost two years to make that up.

As a general proposition, inventory-building is all to the good. It means better distribution of finished goods among consumers. It forestalls temporary shortages and panic buying. It adds flexibility all up and down the line of production and selling.

But there's this hitch: The only way to build inventories is to hold down current sales. Carried too far, that adds to the inflationary pressures that are hammering at the economy.

Widespread holding of goods in inventory in expectation of price rises would help set the stage for runaway prices and an eventual collapse. Government economists think there has been at least some of this in recent months.

Bigger investments in inventory are one reason for the startling jump that business borrowing has taken lately.

Commercial and agricultural loans by reporting member banks have

THE OUTLOOK (Continued)

BUSINESS WEEK
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been knocking out gains averaging \$100 million a week ever since the first of July. This week the total hit \$8,018,000,000, which easily tops anything since the twenties.

If commercial loans keep on galloping upward, monetary authorities probably will take a hand. National bank examiners will be instructed to take a chilly view of loans to finance "inflated inventories."

There won't be any formal regulation on this—just the application of what Federal Reserve officials call their "jawbone powers."

Inventory loans are only part of the reason for the mushroom growth of business borrowing at the banks. The steady expansion of production is at least equally important.

Business Week's Index inched up to 183.7 this week, which puts it 4% above the level of a month ago and 13% over the 1941 average of 162.2.

The railroad car shortage is going to get worse before it gets better. The demand for cars builds up through the summer and early fall, reaches a peak in October. Shippers will have to figure on a tighter and tighter situation until late in the year.

Just now the worst shortage is in boxcars. As winter approaches, the pinch will shift to coal cars.

Railroads are losing equipment faster than they can replace it. During the war, they ran the wheels off their rolling stock. Now, they estimate that about 300,000 cars—out of a total ownership of around 1,750,000—are overdue for scrapping.

In the first six months of this year, the roads got 18,256 new cars. But they had to retire 29,000 that wouldn't hold together any longer. That meant a net reduction of 11,000 in car ownership.

Freight car builders are tied up tight for lack of materials, principally castings and other steel products.

Meanwhile the rising volume of industrial production has driven car-loadings higher than they have been at any time since the October peak in 1941. The roads were handling more freight during the war years, but with the lighter loads and longer turnarounds of civilian business they need more cars now than they did then.

The Assn. of American Railroads is trying desperately to get shippers to put their loading and unloading crews on a six-day week to cut down turnaround.

President Truman's midyear budget review (page 15) gives scant encouragement to those who hope for an early reduction or elimination of corporate income taxes.

Corporations are expected to contribute \$9,800,000,000 of the government's \$39,600,000,000 total revenue. The only way to eliminate the double tax on dividend income without ruining all chance of a balanced budget would be to shift most of that load to individual incomes. But taxes on individuals already are figured for \$18,400,000,000, nearly half the total.

*Another field
served with
Horse Head
Products*

● LUMINESCENT PIGMENTS

The ability to make things glow in the dark—through the use of luminescent plastics, paints, papers, inks, textiles, etc.—is providing product designers with bright, new sales ideas. The "glow" comes from luminescent pigments, of which The New Jersey Zinc Company is the largest manufacturer in this country.

We took on the manufacture of these pigments on a tonnage basis to meet an urgent military demand when the war cut off European sources. Our research organization's knowledge of luminescence made possible the production of both fluorescent and phosphorescent pigments—in a wider color range, with improved properties, and at greatly reduced cost compared to the imported products.

The experience gained in cooperating with the armed forces on the development of military items requiring luminescence—navigation instruments, maps and charts, shipboard marking tape, etc.—has placed The New Jersey Zinc Company in a position to assist manufacturers in providing peacetime products with "visibility in the dark" characteristics.

These activities are in line with The New Jersey Zinc Company's policy of applying its research and manufacturing experience—gained in serving the fields listed above—to the solution of related problems. Write to our Technical Service Division if you feel we can be of help to you.

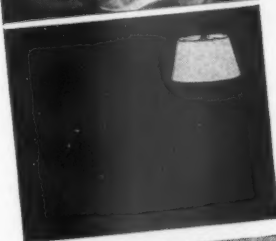
Fluorescence and Phosphorescence in PLASTICS

THE NEW JERSEY ZINC COMPANY

160 FRONT STREET, NEW YORK 7, N.Y.

INDEX

Deep Drawing in BRASS
Resistance to Chemical Change and Temperature Variation in CERAMICS
Covering Power and Adhesion in COSMETICS
High Speed Production, Strength and Accuracy in DIE CASTINGS
Rust Prevention in GALVANIZING
Processing and Wearing Qualities in LINOLEUM
Forming Properties in METAL POWDERS
Durability and Color in PAINT
Opacity, Whiteness and Brightness in PAPER
Qualities in PHARMACEUTICALS
Permanence in PRINTING INKS
Conduction and Heat Dispersion in RUBBER
Corrosion Resistance in STAMPINGS
Welding and Alloying of STEEL AND IRON
Agents and Fire Retardance in TEXTILES
THE FUTURE?



This attractive luminescent plastic lamp shade has an off-white daylight or lamp-light color. When the light is extinguished the shade continues to glow in a beautiful blue color.

Luminescent signs continue to glow after electric lights are out, which is important in case of a power failure. These various signs are made with luminescent plastic, paper, ceramics, inks or paints.

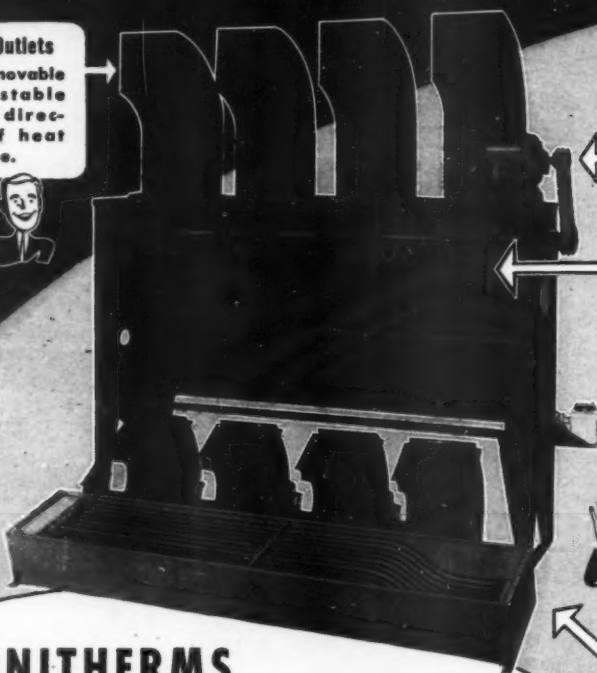


TAKE A LOOK at what CLARAGE offers in UNIT HEATERS!

Square Outlets
Easily removable
and adjustable
for four direc-
tions of heat
discharge.



Front section of
casing, fan
housing and
coil removed.



V-Belt Drive

Insures quieter opera-
tion and greater flexi-
bility of fan speed. (Di-
rect connected units can
be furnished.)



Centrifugal Fans

One for each
heater outlet. Pres-
sure type fans de-
livering heat over
wide areas.



Syncrotherm Control

Regulates temperatures
by controlling with by-
pass dampers amounts of
air passing through and
around heating coil. Can
be automatically or man-
ually operated.



Readily Accessible

Front or back section
of casing quickly re-
movable. All work-
ing parts completely
accessible.



Use UNITHERMS To Cut Your Factory Heating Costs

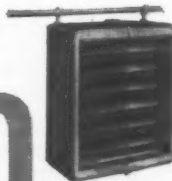
With Clarage Unit Heaters you get plenty of heat — where you want it — when you want it!

And thanks to our exclusive feature — **Syncrotherm Control** — Clarage Unitherms maintain uniform temperatures with relatively **LOW TEMPERATURE AIR** — fuel savings substantial.

Built for floor or ceiling installation in a liberal range of sizes, operating on steam or hot water.

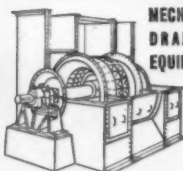
... And for Smaller Jobs

Clarco Unit Heaters (shown at right) are for small space heating, or to "help out" present equipment. Quiet in operation — ideal for offices and stores as well as factory service. Wide range of sizes, using steam or hot water.

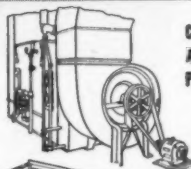


Sorry, but the large volume of orders already accepted prevents deliveries for 1946 heating season. We would, however, appreciate an opportunity to figure your future requirements.

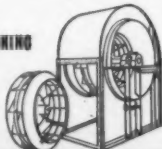
SOME OF OUR OTHER PRODUCTS



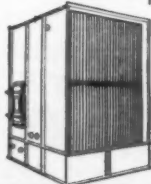
MECHANICAL
DRAFT
EQUIPMENT



CENTRAL STATION
AIR CONDITIONING
PLANTS



AIR CONDITIONING
AND
VENTILATING
FANS



AIR
WASHERS

CLARAGE

FAN COMPANY

Kalamazoo, Michigan

APPLICATION ENGINEERING OFFICES
IN ALL PRINCIPAL CITIES



FIGURES OF THE WEEK

THE INDEX (see chart below).

% Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
*183.7	183.3	175.9	211.9	162.2

PRODUCTION

Steel ingot operations (% of capacity).....	89.0	89.6	87.8	87.9	97.3
Production of automobiles and trucks.....	78,190	†84,720	45,175	18,690	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$21,109	\$21,503	\$22,108	\$8,237	\$19,433
Electric power output (million kilowatt-hours).....	4,351	4,352	3,741	4,432	3,130
Crude oil (daily average, 1,000 bbls.).....	4,881	4,926	4,905	4,922	3,842
Bituminous coal (daily average, 1,000 tons).....	2,075	†2,083	2,063	1,988	1,685

TRADE

Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars).....	85	84	86	82	86
All other carloadings (daily average, 1,000 cars).....	67	70	61	65	52
Money in circulation (Wednesday series, millions).....	\$28,245	\$28,187	\$28,395	\$27,130	\$9,613
Department store sales (change from same week of preceding year).....	+33%	†+28%	+38%	+15%	+17%
Business failures (Dun & Bradstreet, number).....	14	13	13	18	228

PRICES (Average for the week)

Spot commodity index (Moody's, Dec. 31, 1931=100).....	350.7	346.4	311.9	255.0	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	208.9	212.2	188.8	166.5	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)...	311.0	306.1	291.5	226.7	146.6
†Finished steel composite (Steel, ton).....	\$64.45	\$64.45	\$64.45	\$58.27	\$56.73
†Scrap steel composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.48
†Copper (electrolytic, Connecticut Valley, lb.).....	14.375¢	14.375¢	14.375¢	12.000¢	12.022¢
Wheat (Kansas City, bu.).....	\$1.94	\$1.93	\$2.05	\$1.60	\$0.99
†Sugar (raw, delivered New York, lb.).....	4.20¢	4.20¢	4.20¢	3.75¢	3.38¢
Cotton (middling, ten designated markets, lb.).....	34.17¢	32.63¢	32.27¢	32.53¢	13.94¢
Wool tops (New York, lb.).....	\$1.440	\$1.440	\$1.424	\$1.330	\$1.281
†Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.16¢

FINANCE

90 stocks, price index (Standard & Poor's Corp.).....	140.1	140.1	146.4	115.6	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's).....	3.03%	3.03%	3.03%	3.26%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's).....	2.50%	2.50%	2.48%	2.61%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average).....	1½-1½%	1.00%	1.00%	1.00%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate).....	¾-¾%	¾%	¾%	¾%	¾-¾%

BANKING (Millions of dollars)

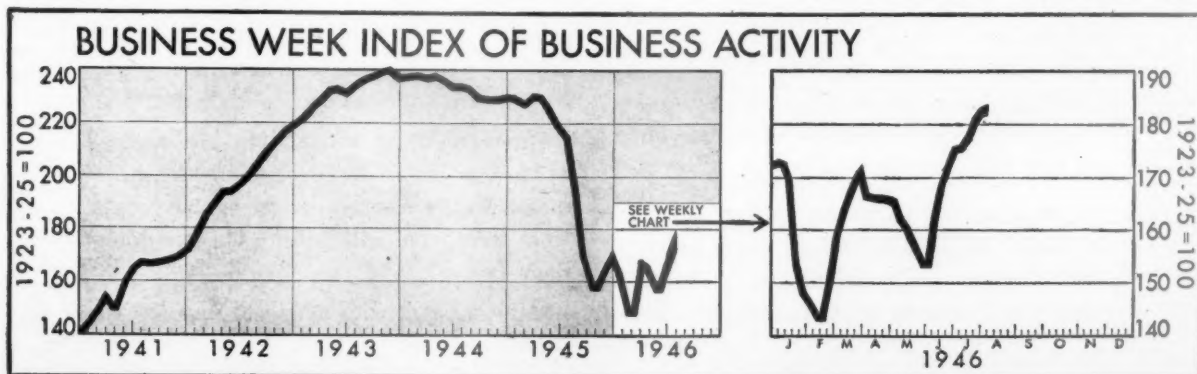
Demand deposits adjusted, reporting member banks.....	39,362	39,427	39,241	37,533	23,876
Total loans and investments, reporting member banks.....	60,662	60,547	61,049	63,696	28,191
Commercial and agricultural loans, reporting member banks.....	8,018	7,974	7,611	5,926	6,296
Securities loans, reporting member banks.....	3,441	3,467	3,919	4,837	940
U. S. gov't and gov't guaranteed obligations held, reporting member banks.....	42,269	42,266	42,744	47,000	14,085
Other securities held, reporting member banks.....	3,481	3,478	3,417	3,303	3,710
Excess reserves, all member banks (Wednesday series).....	890	790	470	1,063	5,290
Total federal reserve credit outstanding (Wednesday series).....	24,164	24,229	23,694	22,564	2,265

* Preliminary, week ended August 3rd.

‡ Ceiling fixed by government.

† Revised.

‡ Date for "Latest Week" on each series on request.



SERVICE REPRESENTATIVE in the Business Office. She's there to help whenever you have questions about service, equipment or bills. An important part of her job is to see that all orders are filled in their proper turn.



Speaking of Citations

Next time you call or visit a telephone office, see if you don't think the young women working there deserve a citation for competence and courtesy. They are doing a fine job.

Demand for telephone service is at an all-time high. That means more calls to put through—more telephones to install—more bills to prepare and send out—more

people to talk with in the business office... and more equipment needed to do the job the way we would like to do it.

We're building and adding just as fast as we can get materials and make equipment. In the meanwhile, telephone people who serve you will keep right on doing their best.

And doing it with a friendly smile.



BELL TELEPHONE SYSTEM

Budget Still Eludes Balancers

Though receipts have increased faster than expenditures, gain won't take government out of hole in fiscal 1947. But reduction in public purchasing power lessens the inflationary effects.

President Truman's vision of a balanced budget for the current fiscal year still is dancing just out of reach. Even with national income booming and with tax rates pegged at the highest peacetime levels in history, the experts still estimate that the federal government will go about \$1,900,000,000 in the hole during the fiscal year ending June 30, 1947.

The regular midyear review of the budget, released last week end, provides some sober material for taxpayers in general and businessmen in particular to chew on.

• **As a Reminder**—For one thing, it serves as a reminder that federal spending and federal taxing are the biggest single force now at work in the American economy. For another, it shows that any substantial tax cuts during the next year or more almost certainly would mean bigger and more dangerous deficits.

In the first draft of the budget, which went to Congress last January, President Truman predicted receipts of \$31,500,000,000, and expenditures of a shade less than \$36,000,000,000, leaving a deficit of \$4,500,000,000 (BW—Jan. 26 '46, p17).

• **Off on Both Counts**—Since then, it has been obvious that the government guessed low in figuring how much it would take in during fiscal 1947. But equally obvious is the uncomfortable fact that it also guessed low on the amount it would have to pay out. True, receipts have increased faster than expenditures, but not enough faster to catch up.

In the revised budget, Truman's experts figure receipts of \$39,600,000,000, expenditures of \$41,500,000,000. This makes the anticipated deficit \$1,900,000,000.

• **Arbitrary Cuts**—To hold expenses even at the \$41,500,000,000 level, Truman had to order his cabinet officers to make a series of arbitrary cuts—totaling \$2,200,000,000—in projects that already had been approved. The Army and Navy will be expected to absorb their recent pay increases by cutting back the programs they submitted in the January budget.

The Maritime Commission's building program will be halved—from \$120,-

000,000 to \$60,000,000. Reconversion Director John Steelman has ordered a moratorium on all new federal construction until Oct. 1, and after October, federal construction projects will be re-screened carefully before any additional commitments are made.

• **Skeptical Note**—Old line officials—who have seen economy programs come and go since the days of Coolidge—are inclined to appraise this latest effort at something less than face value. Heroic economies in Washington, they point out, usually are followed by quiet backsliding. Hence, the odds are that Truman may have to settle for a good deal less than the planned \$2,200,000,000 in cash savings. In that case, the deficit would be correspondingly higher.

The biggest jumps since the January estimates have been \$3,700,000,000 for

national defense (including the \$2,400,000,000 terminal leave pay bill just passed by Congress), \$1,800,000,000 in veterans' benefits and pensions, and \$1,400,000,000 for international finance (which includes a large carryover of expenditures previously budgeted for fiscal 1946). Without a fundamental change in Army and Navy policies, the government's financial experts don't see much chance of offsetting these increases by additional trimming in other parts of the budget.

• **Too Much Rose?**—On the revenue side, there is a chance that the budgeteers may have got a trifle too much rose tint in their sketch of the outlook. The January budget assumed that national income in fiscal 1947 would run about \$140,000,000,000, reflecting "generally favorable business conditions," fairly stable prices, and a certain amount of dislocation accompanying and following reconversion of industry.

The revised budget assumes about a \$165,000,000,000 national income, with part of the increase due to inflation and part to higher employment and production.

The highly progressive federal tax



FOR WORLD PEACE—FOR TWO WORLDS

In the Luxembourg Palace (above) this week, delegates to the peace conference matched the heat of August with the heat of their controversies as Soviet Foreign Minister Molotov and Secretary Byrnes opened their guns in broad frontal attack. As the nations ranged alongside one or the other of the opposing delegates in the fight over Britain's majority voting plan, the solidification of the conference into two clearly defined blocs became ever more apparent—with economic implications reaching from Iran to Argentina (page 99).

system may be able to bite off the extra \$8,000,000,000 the budget planners expect, but that would be almost one-third of the total increase in income. To many experts that seems high.

• **Other Aspects**—In some respects, however, the budget picture really is brighter than a straight comparison of receipts and expenditures makes it seem.

From the standpoint of the effect on purchasing power, the things that count most are how much the government pays out to the public and how much it takes in. The regular budget doesn't show this directly because it figures in transfers to trust accounts (such as the Railroad Retirement Account) and payments that are made in securities rather than in cash (for example the terminal-leave pay bonds).

Eliminating these items puts a different twist on things. Government payments to the public in fiscal 1947 will total \$39,900,000,000; receipts from the public will come to \$42,700,000,000.

• **A Gain Against Inflation**—This gives an excess of receipts over payments—which means a reduction in public purchasing power—of \$2,800,000,000. The January budget forecast an excess of payments over receipts of \$2,400,000,000. Hence, as far as the inflation situation is concerned, the new budget is \$5,200,000,000 better than the old one.

Evolution of a Budget

Here is how the latest version of the federal budget for the fiscal year ending June 30, 1947, stacks up in comparison with previous estimates and the final results for fiscal 1946 which ended last June 30 (figures in billions of dollars):

	1946	January	Revised
Receipts:	Actual	Estimate	Estimate
Indiv. taxes...	\$19.0	\$12.9	\$18.4
Corp. taxes...	12.9	8.2	9.8
Excises	6.7	6.3	7.1
Employ. taxes	1.8	1.9	1.9
Customs	0.4	0.4	0.5
Misc.	3.5	3.2	3.4
Total	44.2	32.9	40.9
Deduct trust fund appropri- ation	1.2	1.4	1.3
Net receipts	43.0	31.5	39.6
Expenditures:			
Defense	48.2	14.8	18.5
Interest	4.7	5.0	5.0
Refunds	3.0	1.6	1.8
Veterans	4.2	4.4	6.2
Int. finance...	0.6	2.8	4.2
Agriculture ..	0.3	1.9	1.2
Soc. security.	1.1	1.6	1.2
Housing	-0.3	—	0.2
Public works.	0.4	1.6	0.9
Post Office...	0.2	—	0.2
Gen. gov't...	1.3	2.1	1.9
Pay increase.	—	0.2	0.2
Total	63.7	36.0	41.5
Excess of ex- penditures over	20.7	4.5	2.9

Taking the two years 1946 and 1947 together also brightens the picture considerably. In January, Truman estimated that the combined deficit for both years would run about \$33,000,000,000. The deficit in fiscal 1946 actually was about \$8,000,000,000 less than expected,

which means that the two-year deficit will be around \$23,000,000,000.

This reduction is reflected in the forecast of the public debt. Instead of a \$271,000,000,000 debt on June 30, 1947, Truman now forecasts \$261,000,000,000.

What's Happening to Prices

Prices continued to rise during the week as OPA, which on its return to business had released a barrage of increases based on the provisions of the old law, began to grind out the adjustments required by the new act.

The price of flour, east of the Rockies, was lifted \$1.11 a cwt. and concurrently retail prices for the normal bread loaf went up 1¢. There was also a rise of 1¢ to 3¢ per package on breakfast cereals. But millers, who argued that their costs had advanced about 8¢ more than the \$1.11 price relief, were still arguing for further adjustments.

• **A Rise in Agricultural Cost**—Farmers found that their costs were going up too. Ceilings on farm machinery at the retail level were raised about 6%. This was the first of what will be a series of price increases made mandatory by the terms of the new act which prohibits cost absorption by distributors. This rise came shortly after a series of increases to producers and importers of nitrates, ammonium sulphate, and superphosphate—all basic fertilizer ingredients—which will mean an increase of 10% to 12% in their cost to the farmer.

An increase in the ceiling price of linseed oil, together with increased ceilings on lithopone and primary lead, will send the price of paint up still further. The prices of new houses will, of course, reflect this together with the increases recently granted on lumber, tiles, pipes, and other construction materials.

• **Housing Rule Relaxed**—The OPA was forced to give even more ground on the housing front—and to a government agency at that. The Federal Housing Administration announced that, under a new agreement with OPA, rents on new housing would no longer be held within 20% of ceilings on existing comparable housing. This action was taken to make available more rental housing for veterans in areas where construction costs have risen sharply. But the veterans emergency housing program still maintains the over-all ceiling of \$80 a month on rents for veterans.

Cotton growers are evidently not satisfied with the present price of raw cotton which resulted in OPA's granting higher ceilings on cotton fabrics (B.V. Aug 2'46 p.16). Early this week,

of the Senate Agriculture Committee, urged cotton farmers to withhold their crops until the price for raw cotton rises to 40¢ a lb. The price for raw cotton used in setting the August ceilings was 32.78¢ a lb.

• **Fabrics Released**—The Reconstruction Finance Corp. injected itself into the men's clothing field with the announcement that it was releasing surplus fabrics, originally purchased for the armed forces, to make 1,000,000 suits and overcoats at the \$30 retail level. The quality of the garments, RFC stated, would be better than that generally obtainable at these prices. But in the trade, many were wondering how RFC expected to make more than 150,000 garments out of the materials being offered. OPA had previously announced increases of 8% at the manufacturing and retail levels in the prices of men's leather jackets, mackinaws, wool shirts, and other outer clothing.

With the raising of the price of natural rubber in the Far East from 20½¢ to 23½¢ per lb., it looked as though the domestic price of rubber would go to 26¢ from 22½¢. It was only a week or so ago that OPA was increasing retail ceilings on rubber footwear by 10% and raising the rubber heel ceilings in shoe repair shops by 5¢.

If you had been planning to get your wife a fur coat for Christmas, the only furs continuing under control are Mouton (lamb) and rabbit—the two least expensive.

• **Biggest Monthly Increase**—The Bureau of Labor Statistics has been taking a special weekly small sample of retail food prices during July. Prices went up in all cities from week to week, but on July 30—the last week for which figures are available—prices fell in eight cities and went up in three. The BLS also estimated the rise in cost of living from June to July at ½%, the greatest monthly rise ever recorded.

The July report of the National Assn. of Purchasing Agents declares that all prices have increased without a single exception.

Packers were beginning to wonder if the biggest buyer of them all was on strike. The Army's meat purchases dropped from 45,000,000 lb. in April to 30,000,000 lb. in May to 12,000,000 lb. in June.

Politburo: Definer of the Line

Workings of Russia's powerful, mysterious supercabinet are key to internal and external policies that vitally affect U.S. business. Membership is expected to provide Stalin's successors.

As the world gropes for a pattern for peace, the great imponderable remains the U.S.S.R.—seemingly enigmatic, capricious, and headstrong—following a course dictated by a still-mysterious supercabinet, the Politburo.

The Politburo engineers the Soviet diplomatic demarches, the political incursions, and the economic invasions which are currently alarming the western powers.

• **Predetermined**—The arguments and decisions of V. M. Molotov as head of the Soviet delegation at the 21-nation preliminary peace conference in Paris are predetermined by the Politburo, of which he is a member. The proposals and dissents of A. A. Gromyko as Soviet delegate to the Atomic Energy Commission of the United Nations originate with rulings of the Politburo.

Even when Stalin meets with foreign chiefs of state, the Soviet voice echoes the decisions of the Politburo.

The Politburo sets the tempo and direction of the internal Soviet economy. Russians study its composition for clues to their national future, for evidence of shifts in the balance of power within their government.

• **Stalin's Successors?**—Informed Russians look to its membership to provide Stalin's successors:

Pudgy, iron-willed Col. Gen. Andrei Andreyevich Zhdanov, to inherit the role of "leader" or "teacher" (without any formal title), but none of Stalin's three major jobs;



Stalin

Molotov to take the post of Prime Minister;

Georgi Malenkov to succeed to the job of Secretary-General of the Party; Gen. Nikolai A. Bulganin to become Minister of the Armed Forces and Commander-in-Chief.

• **Decider of Policies**—On all counts, a fuller understanding of this "Political

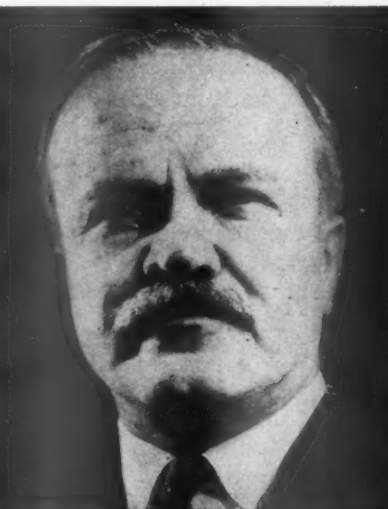
Bureau of the Central Committee of the Communist Party of the Soviet Union (Bolshevik)" is vital to American businessmen who have long been disturbed—if not misled—by fragmentary accounts of its activities.

A starting point for such understanding lies in the fact that ultimately all policy decisions of the Soviet Union are made by the Politburo. It issues directives interpreting and applying the "party line" which is expressed formally in the Program of the Party. This program, for the most part, antedates the revolutions of 1917 and 1905, and goes back to the program of the Bolshevik (majority) faction of the Russian Social Democratic Workman Party which split off in 1903.

• **Day-to-Day Decisions**—Between Party Congresses, the Central Committee acts for the Party, meeting quarterly in plenary session. Day-to-day decisions are made by the Politburo.

Every now and then the Party re-examines its program at Party Congresses, the last three of which met in 1931, 1934, and 1939. Long before the new Soviet constitution established secret ballots for national elections, the selection of the Party's Central Committee was by secret ballot of the thousands of Congress delegates. The Central Committee—72 members and 68 alternates—elects the Politburo, the Secretariat, and the Organization Bureau (Orgburo). These bodies have interlocking membership (Stalin, Zhdanov, and Malenkov, for instance, serve on all three).

• **Membership Grows**—The Politburo dates formally from the Eighth Party Congress (1919) although an executive committee of the party actually existed earlier. The first Politburo numbered only five members—Lenin, Stalin, Trotsky, Kamenev, and Bukharin—but





Voroshilov

Kaganovich

Zhdanov

Andreyev

Krushchev

Politburo's Roster

Stalin, Secretary General, Communist Party of the Soviet Union, chairman of the Council of Ministers, Supreme Commander-in-Chief.

Molotov, First Vice-Premier, Minister of Foreign Affairs.

Voroshilov, Vice-Premier.

Kaganovich, Vice-Premier, and Minister of Building Materials Industry.

Zhdanov, Secretary of the Central Committee of the Party, chairman of the Soviet of the Union.

Andreyev, Vice-Premier, chairman of the Party Control Commission.

Krushchev, Prime Minister of the Ukrainian S.S.R., Secretary-General of the Ukrainian Communist Party.

Mikoyan, Vice-Premier, Minister of Foreign Trade.

Malenkov, Party Secretary.

Beria, Vice-Premier, supervising work of the Security Ministry, Minister of Internal Affairs.

Alternates:

Shvernink, president of the Presidium of the Supreme Soviet.

Voznesensky, Vice-Premier, chairman of the State Planning Commission.

Bulganin, First Deputy, Minister of the Soviet Armed Forces.

Kosygin, Vice-Premier.

in 1927 it had nine members and eight alternates. Today, there are ten members and four alternates.

The meetings of the Politburo are probably the most democratic proceedings in all of the Soviet Union. Russians who know are discreetly proud of the fact that Lenin—and later Stalin—frequently bowed to majority decisions of the Politburo. Just as Party members cannot safely question Party decisions, Politburo members cannot question its decisions.

• **Stalin Sums Up**—Molotov customarily presides at Politburo meetings, and in his absence Malenkov takes over. Stalin usually is the last to express an opinion in Politburo discussions, and other members do not try to guess his position. They speak their minds, and Stalin—with the greatest prestige, clarity of mind, and tremendous experience—sums up the argument before a vote is taken.

Stalin is sometimes outvoted, but he submits to the majority, often announcing the decision to the Soviet nation.

• **Collective Decisions**—The concept of collective decisions and combined action has been formulated by Stalin in the following manner:

"In our leading body, the Central Committee of our Party, which guides all our Soviet and Party organizations, there are about seventy members. Each one is able to contribute his experience. Were it otherwise, if decisions had been taken by individuals, we should have committed very serious mistakes."

Politburo membership changes slowly, but has been characterized by the in-

roduction of young blood. Five of the present members are under 50—Voznesensky is 43, Malenkov is 44.

• **Braintrust**—The Politburo may be called Russia's braintrust. It has no governmental or executive functions. While it shapes policy, these policies are enforced by Politburo members in their other executive posts, and by all executives down the line to whom directives are issued.

Although Russians speak of Soviet democracy, they obviously do not mean western-style democracy. According to Stalin: "No important political or organizational problem is ever decided by our Soviets and other mass organizations without directives from our Party. In this sense we may say that the dictatorship of the proletariat is substantially the dictatorship of the Party."

• **It Will Carry On**—Russians know—even if Americans don't—that they do not live under a personal dictatorship of Stalin. They are concerned about the prospect of Stalin's death or retirement, but they know that the Politburo will carry on.

No one in Russia expects the overnight ascendancy of some figure to top authority; it took years for Stalin to become a "symbol" of discipline and leadership.

Col. Gen. Zhdanov, chief candidate for Stalin's "leadership" role, was born in 1896. A party member since 1915, he has been a member of the Central Committee of the Party since 1930.

• **Defender of Leningrad**—Zhdanov became chairman of the Supreme Soviet of the Russian Soviet Federated Social-



Mikoyan

Beria

Shvernink

Voznesensky

Kosygin

ist Republic—largest republic of the Union—in 1938. He led the defense of Leningrad, and after the defeat of Finland headed the Allied Control Commission in Helsinki.

Zhdanov is an effective speaker. He is witty, direct, and commands the respect of his colleagues. Although a colonel-general, he is not now concerned with military matters. Instead, he is directing Party cultural work—art, literature, philosophy, press.

• **Re-Evaluator of History**—More than ten years ago, Zhdanov collaborated with Stalin and Kirov in a re-evaluation of Russian history, marking the beginning of the Soviet revival of Russian traditions, institutions, and nationalism which reached a climax during the "Patriotic War" of 1941-45.

But Zhdanov is not expected to inherit any of the three major posts now held by Stalin—Prime Minister (probably Molotov), Secretary-General of the Communist Party (Malenkov), and Supreme Commander (Gen. Bulganin).

Malenkov is considered to be in the best position to steal the "leader" role from Zhdanov. The post of Party secretary for which he is slated is the key to almost every top job in the country. Stalin started out as Party secretary. Malenkov joined the Party in 1920, held staff jobs in Moscow and on the Control Commission in the twenties and thirties.

• **A New Member**—He is vice-chairman of the Council of Ministers, was a member of the five-man State Committee of Defense during the war. He was chosen as an alternate on the Politburo in 1941, became a full-fledged Politburo member only this year.

A typical political boss, fairly tall and hefty, Malenkov is not a colorful personality. He is noted for his "card-index brain"—he never forgets a name or a face, always knows the right man for an unfilled job. He is a systematic and relentless worker.

• **Salesman's Son**—Molotov, slated for the post of Prime Minister, is an Old Bolshevik—son of a salesman, and an early revolutionary. He joined the Party in 1906, became a member of the Central Committee in 1917, was elected to the Politburo in 1926.

Although most Americans regard Molotov as a diplomat, years ago he wrote books on agricultural and industrial problems, and in 1930 became chairman of the (then) Council of People's Commissars of the U.S.S.R. He became Commissar of Foreign Affairs in 1939.

• **Dark Horse**—Gen. Bulganin is a dark horse. He is tall and handsome, cuts an imposing figure in uniform. In 1944, Bulganin replaced Voroshilov on the State Committee of Defense. He may have been involved in the recent shift out of power of Gen. Zhukov, whose

political adviser he had been throughout the war.

Bulganin is a former textile worker, once chairman of the Moscow Soviet, Mayor of Moscow, and a Vice-Commissar of Defense. He is primarily a political—as opposed to military—leader, and hence the Politburo's choice to offset any ascendant "Red Napoleon." Bulganin was chosen an alternate on the Politburo in mid-March of this year.

Inches Are for Oil

Though gas bidders see ray of hope, WAA policy stands, and it seems likely that pipelines will go to Big Inch Oil, Inc.

The war-built Texas-to-New York Big Inch and Little Big Inch pipelines will be sold as petroleum instead of natural gas carriers. That seems certain. War Assets Administration has never retreated from its policy favoring petroleum use, and no one expects that it will. WAA intends to make an award by Sept. 1 after studying the 16 bids opened last week.

Most observers believe that the nod will go to Big Inch Oil, Inc., a new corporation reportedly backed by C. T. Chenery, chairman of the board of Southern Natural Gas Co. (and, according to rumor, by Sun Oil and Standard of N. J.).

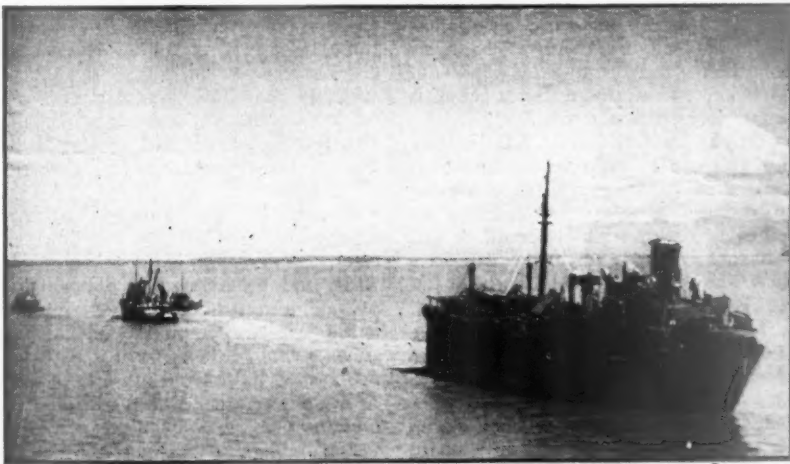
• **Proposed Terms**—Big Inch Oil offers \$110,000,000 for the two lines for use

as common carriers of petroleum and petroleum products. Terms are \$1,000,000 down, and \$65,000,000 on date of closing, coupled with \$44,000,000 in 30-year, 4% debentures. The bid appears to meet most closely WAA's policy favoring sale of the lines as common carriers of petroleum to private interests through private financing.

There is, however, one hook in Big Inch Oil's bid that gives a faint ray of hope to bidders who would convert the lines to natural gas. That is Big Inch Oil's reservation of the right to dismantle that part of the Little Big Inch line between its Texas terminus and a point in Ohio to provide pipe for a line from west Texas oil fields to feed crude to the Big Inch terminus in east Texas.

• **Military Angle**—The wishful thinking on the part of would-be gas converters hangs on some language in WAA's official policy statement to the effect that the terms of sale of the lines must include a provision that the properties must not be "basically altered in any way that would materially affect or destroy their military value." Relocating about half of the Little Big Inch line is considered a basic alteration by gas proponents.

A ruling by WAA that Big Inch Oil's bid, or any of the other oil bids it has received, is not in accord with policy, however, does not mean that the agency could let the lines go to one of the several attractive gas offers. Politically and perhaps legally, WAA needs congressional approval before it can safely award the pipeline for non-



THE BETTER HALF FOR A POWER PROJECT

Half a ship can be a whole power plant for a city, if like the S. S. Sackett's Harbor (above), its 6,000-hp. steam turbines are intact. When the Pacific tanker broke in two in heavy weather last March, her captain, aided by a Navy tug, took the bereft turbine-bearing stern into Adak, Alaska. The power-needy city of Anchorage put in a plea for the remnant to supply electricity. Figuring a new bow would cost \$1 million, the Maritime Commission this summer classified the half-craft as surplus, consigned it to its new dry-land job.



WITH A MUNICIPAL FOOT IN THE GRAVE

Depletion of mineral reserves (BW—May 19'45, p70) is a matter of grim reality to citizens of Jerome, Ariz. (above), and its neighboring town, Clarkdale. For copper is their economic lifeblood, and copper deposits in the Jerome district have been exhausted to the point where Phelps Dodge Corp. has announced it will pull out in 1947. Opened in 1883, the area earned \$600,746,000 from its ore deposits in the next 60 years. But recent efforts by Phelps Dodge to uncover new ore bodies have been fruitless. The communities' one hope is to cater to the tourist trade—a promising plan since they are the gateway to northern Arizona's scenic, hunting, and fishing regions.

oil use, because petroleum preference has been accepted as the official policy.

• **Hoping for Time**—Gas bidders would like WAA to rule that none of the petroleum bids is in accord with policy. That would give them at least six months to turn the heat on petroleum preference, since congressional action is impossible until next year.

Of the 16 bids sent WAA, six were for purchase or lease for oil only, four for natural gas only, and the remaining six hedged their bets by bidding for purchase or lease for either oil or gas. Most of the bids might as well have been signed by Jack and Charlie so far as indicating the interests behind them.

Only well-known names to crop up were those of Thurman Arnold and Abe Fortas, who appeared as counsel in a bid by Dr. John Bauer, New York City, offering to buy the lines for oil or gas provided they could be paid for with a \$70,000,000 government loan with interest at 4%.

• **Natural Gas Bids**—Biggest firm cash bids for natural gas are those of Trans-Continental Gas Pipe Line Co. (reportedly backed by Roger Lacey, Houston oil and gas man) and Big Inch Natural Gas Transmission Co. to buy the lines for \$85,000,000. Trans-Continental would maintain facilities for reconversion to petroleum service for

\$280,000 a year or at cost plus 6%. Big Inch Natural would do the same thing at cost.

The other two natural gas bids were firm offers by G. H. McCarthy, Houston, and E. Holley Poe, New York City, to buy the lines for \$80,000,000. Interests behind the McCarthy bid are not known, but it is understood that the Poe bid is backed, among others, by United Gas Pipe Line Co. and the Texas Co.

• **Twenty Million Down**—The McCarthy bid offers \$20,000,000 down in cash, \$30,000,000 payable in three years, and the remaining \$30,000,000 payable within six years, with interest not to exceed 4% on the unpaid balance.

The Poe bid has an alternative offer to lease the lines for 40 years at a minimum of \$6,500,000 per year.

Gas bidders for the lines are arguing generally that (1) natural gas would be sold only as a replacement for fuel oil now used to enrich manufactured gas in the New York-Philadelphia area and thus would not disturb coal economy, (2) the lines would be maintained in good condition for reconversion to petroleum if the national security required it, and (3) it would be uneconomic to operate the lines as oil carriers in the face of tanker competition.

Rieber's Rebound

Barber Asphalt's big oil deal puts famous captain in the spotlight again. Stock shoots up on news of \$25 million sale.

The famous Capt. Torkild Rieber, oil tycoon extraordinary, obviously has not lost his touch even though he has been carefully keeping out of the spotlight for some six years now.

Torkild Rieber is the barrel-chested, hard-swearing sailor who clawed his way up from the bridge of a tanker to the chairmanship of the Texas Co.'s huge oil empire. Before the war, he often was cited as one of the last surviving specimens of the old two-fisted, frontier-taming breed of industrialist.

• **\$25 Million Deal**—Rieber's skyrocket career with Texas ended in a shower of sparks in the summer of 1940. He was accused of maintaining somewhat too cordial relations with Dr. Gerhardt Alois Westrick, who was generally regarded as Hitler's unofficial ambassador to American business. Although Rieber strongly denied any German leanings, the resulting uproar was more than the Texas directors could take. After a stormy session, they accepted the chairman's resignation "with real regret." Rieber stepped quietly out of the picture, and Wall Street lost sight of him for the time being.

Last week, Wall Street suddenly heard from Rieber again. Barber Asphalt Corp., a middle-sized oil and asphalt refiner, reported that it had agreed to sell its Venezuelan royalty rights to Shell Petroleum Co., Ltd., of London for \$25,000,000. The announcement was made by T. Rieber, president.

• **Stock Shoots Up**—For Barber stockholders the proposed sale is big news. If taxed as a capital gain—and the deal is contingent upon this outcome—it would bring in a net of \$18,000,000 to \$19,000,000, which would figure out to about \$50 a share on the 390,000 shares of common outstanding. Since Barber's last balance sheet showed an equity of \$35.43 per share, this is real money to the company.

Barber stock, which had been selling around \$50, responded to the news by knocking out a ten-point gain during the week. Presumably this was big news for Rieber, who acquired options when he joined the company in 1942 entitling him to buy 20,000 shares at a price of \$18.

• **Good Business, But—Important** as it is to Barber, the sale still doesn't match some of the famous deals that Rieber swung for Texas. It was his agreement with Gulf Oil that got Texas the rich Barco concession in the Colombian

jungle—after which Rieber had to perform a major engineering miracle to open up the field and get the oil out. It was also his deal with Standard of California that got Texas into the rich Bahrain oil field in the Persian Gulf.

It was his capacity for making deals, in fact, that finally got Rieber into trouble. During the Spanish Civil War, he supplied Franco with oil on credit. This was good business, but later, in the tense days of 1940, it made poor public relations. After the war started, he talked the Germans into releasing a ship that had been constructed for Texas as part of a prewar oil-for-ships bargain. This again was good business—not only for Texas but for the Allies who badly needed tankers—but touchy public relations. Both of these deals added to the storm that broke over Rieber's head after he was accused of helping Dr. Westrick establish himself in New York.

Just what happens to Barber—and to Rieber—from here on is an open question. The Venezuelan rights have been the company's main source of oil in the past. During the war it had to stop refining crude entirely because of shipping troubles, and unless it acquires another source there will be no way for it to get back into refining.

• **Street to Watch Rieber**—From 1942 to 1944, Barber operated a shipbuilding subsidiary and turned out 350 LCI's for the Navy, but that is all over now. In 1944, it got out of the roofing business, after a long record of discouraging results, and sold its Madison (Ill.) plant. With the Venezuelan oil royalties sold off, the biggest asset it has left will be its exclusive right to mine the famous Trinidad Asphalt Lake. This will make it the world's biggest producer of natural asphalt, but asphalt derived from petroleum now is used far more widely than the natural product.

Knowing Rieber, Wall Street figures that the situation is ripe for another deal, and from now on it will be keeping a close eye on Barber and its president.

Los Angeles: the City Unlimited

War or no war, it keeps on outstripping itself (and nearly everybody else) with economy compounded of diversified industrial bigness and thriving agriculture—and also of ideas.

The war sired many an industrial colossus among the cities of the United States—Buffalo, Norfolk, San Diego, Portland, Las Vegas—but none is now making a greater effort to retain its wartime stature than Los Angeles.

At Hollywood and Vine, in the shops and factories that line the streets of industrial Vernon, in the lobby of the Biltmore, the talk is boom-town talk.

While some of the other cities nurse industrial hangovers, Los Angeles livens up its todays in happy expectation of bigger and better tomorrows.

• **A Long Way**—Los Angeles is strictly on the make; and its seductive curves

are not all on graphs. This raw, loosely knit jumble of villages has come a long way since the last big bubble burst in 1929, when the Los Angeles industrial area ranked ninth in the United States in value of its industrial product.

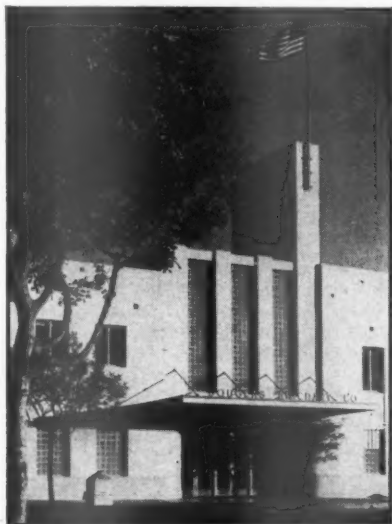
When the national defense machine began to turn in 1939, Los Angeles had edged into seventh place, leapfrogging Cleveland and St. Louis. By 1941, it had gone to fifth place, over Boston and Pittsburgh.

At the peak of war production, Los Angeles was able to look back over its shoulder at New York, Chicago, and Philadelphia. Only Detroit was ahead of it. Los Angeles, the adobe city on the desert whose population barely stretched to six figures at the turn of the century, was the second mightiest industrial community in the U. S.

• **As the Angeleno Sees It**—Except as the names New York, Philadelphia, Detroit, and Chicago symbolize the freight rate yoke that has made the West Coast's battle for economic self-sufficiency an uphill grind, the Angeleno isn't too acutely aware that they exist. He accepts it as established fact that California is the land of milk and honey and Los Angeles its real capital.

The Chamber of Commerce, of course, continues to trumpet the virtues of what it calls the Southland and to annotate the score with soaring statistics, but it mutes the horn with the unequivocal fact that building materials are not available for new factories and for factory workers' houses. The All-Year Club likewise muffles its invitation to the rest of the world to make Los Angeles its playground because accommodations for visitors are bursting.

• **Putting Down Roots**—And yet new industry and business are putting down



Portals of power—Douglas Aircraft (above), National Broadcasting Co., and Metro-Goldwyn-Mayer—represent important industries that make Los Angeles a business nerve center.





Broadway west of the Rockies: Hollywood Boulevard looking toward Vine St.

roots in Los Angeles faster than you can keep track of them.

One obvious reason for this spectacular rush is that Los Angeles has an abundance of the conventional lures—climate, plant site, market, labor pool, and tax rate.

Another answer is that Los Angeles is a booster town. For all its supposed sophistication, Los Angeles is as self-conscious and as fiercely proud as Zenith on a Saturday night. The Angeleno, native or not, sings the praises of his town, and when a couple of million people start chanting the same song they are bound to get some response.

• **A Point of View**—It has been said, with a grain of truth, that one difference between Los Angeles and San Francisco—apart from their traditional rivalry—is that San Francisco is one-tenth as large as New York City, whereas Los Angeles is ten times as large as Peoria, Ill.

Los Angeles is a growing city. Most of its people were born elsewhere, and the benchmarks of its social structure have been regularly obliterated by waves of newcomers. There is still enough of the frontier about Los Angeles to dissolve inhibitions in personal and community conduct.

• **Determined to Be Happy**—The retired Iowa farmer, rounding out his days in the California sun, feels no reluctance whatever about wearing garish clothes that his neighbors back in Jasper County would think grotesque. He is determined to make himself as happy as possible in strange surround-

ings, and is comforted by the knowledge that everybody else, at every social level, is doing the same thing.

In a society which has not jelled, and which therefore remains deficient in taboos, it is to be expected that the conduct of the people will be marked by their conflict with conformity, their digression from the conventional. This leads newcomers easily into what is euphemistically called the California way of life—which is not a way of life at all but simply a break with tradition as it has existed in Little Rock, St. Paul, or Cedar Rapids.

• **Over the Barriers**—To some extent, this new freedom of action in the social structure is duplicated in business, industry, science, the arts. Encouraged by competitive considerations and by the freedom implicit in the California way of life, the businessman easily vaults over the barriers that have hemmed him in.

Sometimes he lands flat on his face. But enough have landed right side up to make the break with tradition seem a good gamble. And as one business after another establishes a degree of leadership in its field, others have been drawn to this polyglot city. The boosters are right. In an ever-expanding series of fields, the rest of the country looks to Los Angeles.

• **Schemer's Paradise**—Los Angeles, almost one-fourth larger in area than New York City (452.2 sq. mi. against New York City's 365.4 sq. mi.), is a paradise for the most blissfully irrational schemes and political nostrums (\$30 Every

Thursday, Epic—End Poverty in California, Ham 'n' Eggs, Scrip Tease).

Its geniuses, including the psychopathic, patent more inventions than do those of any other community. Religious cults and cosmic ray healers flourish and vie with colonic irrigation specialists in the garishness of their neon advertising.

Los Angeles is at once the last stronghold of the open shop, thanks to the Merchants & Manufacturers Assn. and the Los Angeles Times, and a hotbed of militant unionism, thanks to the A.F.L. and the C.I.O.

• **A City That Builds**—These are the things you see and remember about Los Angeles when you are likely to forget, in the city's bigness, that the huge air-frame plants—Douglas, Northrop, North American, and Consolidated Vultee—together with the smaller ones which dot the Los Angeles industrial landscape supplied almost three-fourths of all the aircraft produced in the U.S. during the war; that here is concentrated perhaps 60% of the aircraft industry's peacetime production capacity.

Los Angeles produces more oil well equipment and tools than any other city in the U.S. Before the war it assembled more automobiles—Ford, Buick, Oldsmobile, Pontiac—than any other city save Detroit, and is now adding to its capacity. Los Angeles builds more rubber tires than any other city save Akron, and is a leader in the field of mechanical rubber goods.

• **Diversified Bigness**—Industry—big industry—is diversified. Los Angeles has nine industries which qualify as "predominant" under the U.S. Census Bureau's definition of the word (annual production of \$25,000,000 or more)—aircraft, oil well equipment, auto assembly, rubber, motion pictures, petroleum refining, food processing, apparel, and furniture and wood products.

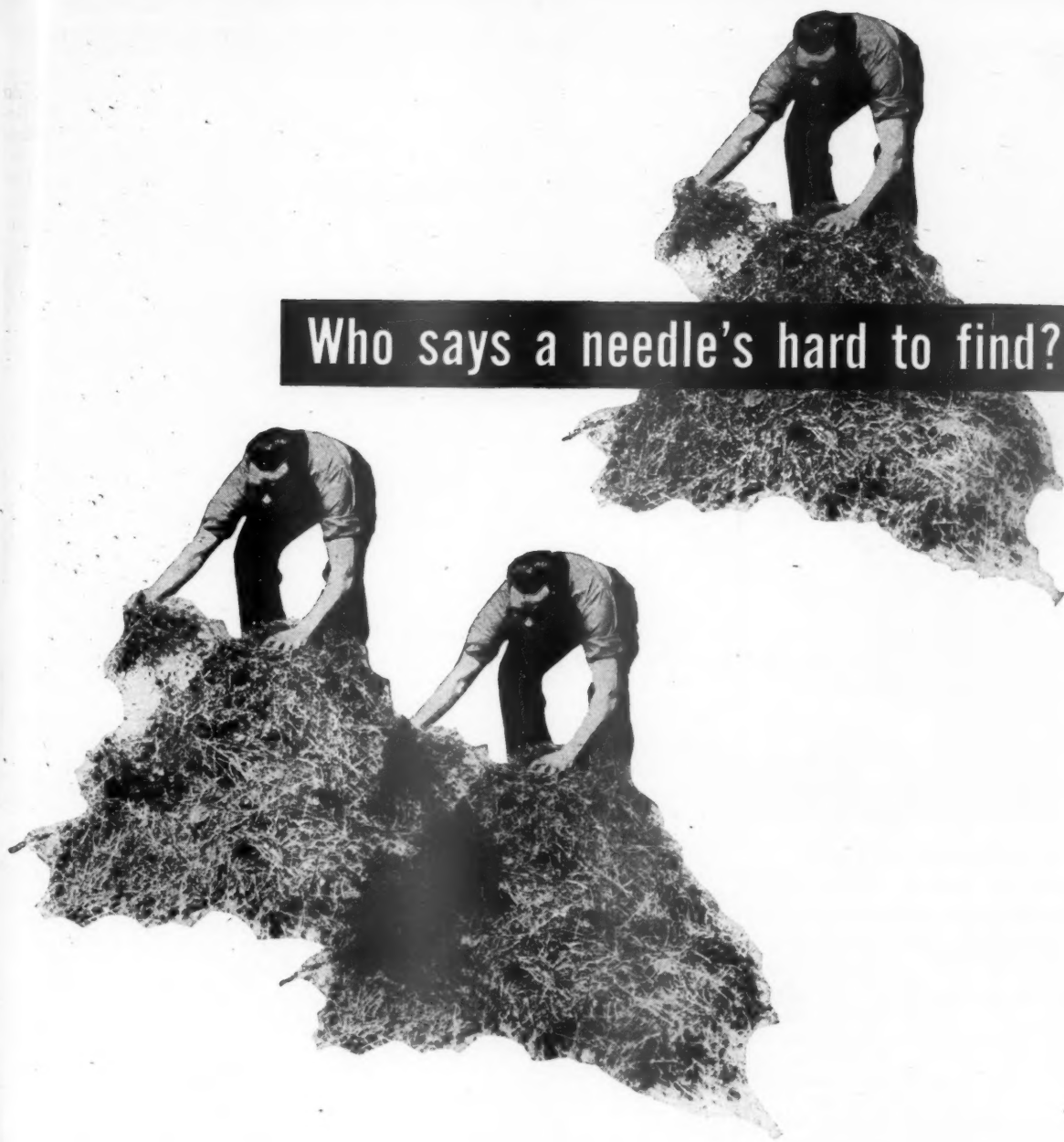
In this respect, Los Angeles leads the country; Philadelphia has eight predominant industries, and New York and Boston have seven each.

Los Angeles ranks first in the United States in motion picture production, third in petroleum refining and food processing, fourth in manufacture of apparel and of furniture and wood products.

• **And Now Steel**—A whoop and holler away, at Fontana, is Henry Kaiser's steel mill, pouring out the ingots which the West hopes will spell its economic emancipation from Pittsburgh, Baltimore, and South Chicago.

Thanks to a bountiful climate, the miracle of irrigation, and its enormous size, Los Angeles County, once a sterile desert, is the richest agricultural county in the U.S. in dollar value of crop. Its agricultural product in 1940 was \$46,920,780, as compared with \$28,796,697 for Tulare County, Calif., which ranked

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second. (Among the first 26 U. S. counties in farm output, 15, including the first four, are in California. Pennsylvania's Lancaster County was fifth, with \$24,548,638. Pottawattamie, the richest agricultural county in Iowa, ranked 28th with \$11,955,645 in 1940.)

• **Milk Producer**—Los Angeles, the industrial center, produced 57% more milk in 1940 than any other county in the U. S. Its dairy products brought \$19,000,000, three times as much as the next ranking county's. It spent more for farm implements and machinery, for feeds, and for hired farm labor than any other county.

Los Angeles' economic base encompasses many things not usually associated with a city recognized by the rest of the world chiefly as a glamor capital. The city counts 33 manufacturing industries with an annual production in excess of \$5,000,000.

• **Plant Expansion**—In the five years from 1941 through 1945, capital investment in Los Angeles industry was increased by almost half a billion dollars, about a third of it in new plants, two-thirds in expansion of existing ones. And the Chamber of Commerce makes the proud claim that Los Angeles, during the rapid growth of its facilities for making implements of war, had less government-financed construction than 16 other large cities. The accent was on private financing.

Los Angeles' growth as an industrial and economic entity has been paralleled, if not surpassed, by the population growth of the city.

In 1910 the city ranked 17th in the U. S. with a population of 319,198; it pulled up to 10th in 1920 with 576,673, and fifth in 1930 with 1,238,048.

• **Human Tide**—With a present city population of 1,805,687 (U. S. Census Bureau; March, 1946), Los Angeles is pressing Detroit for fourth place. The leaders rank: New York, Chicago, Philadelphia, Detroit.

Los Angeles' wartime population increase was not out of proportion to the war job it was expected to do. The surprise is that peace did not turn the tide, or at least check it. People, resolute people, are still pouring into Los Angeles. State border agricultural quarantine stations in June clocked 90,000 out-of-state cars crossing into California; they poured the bulk of their 250,000 passengers into Los Angeles. Distress signals sent up by the city council (BW—Dec. 1'45, p21) and by the War Manpower Commission and harassed housing authorities failed to discourage the flow of in-migrants.

• **They Have Money**—Unlike the penniless fugitives from the Dust Bowl who swarmed into California in 1934, the new arrivals are generally well-heeled—the Bank of America and the Security First National can vouch for that—and

their customers represent every social stratum.

Some are returned war workers who went back to Arkansas or to Colorado only long enough to settle their affairs. Others are servicemen who got their first glimpse of the city during the war on their way to the Pacific theater.

Substantial numbers are owners of small businesses who see no reason why their chances of success should not be as great in the West as in the East—where the sun is less constant and life is tailored to a conventional pattern.

Many are representatives of eastern and midwestern business concerns which have kept a finger on the pulse of Los Angeles and decided that there lies a market worthy of serious development.

• **Getting Ready**—A visitor might wonder when the migration will stop. But not the Angeleno. Electric utility engineers, lifting their gaze 10 or 15 years into the future, are shaping their facilities to accommodate a population twice the present size (or about 3,500,000). Even the Chamber of Commerce gulps at that prospect, which may prove nothing except that the chamber, a unique institution not noted for conservative forecasts, is now willing to err on the side of caution.

The population of Los Angeles County is something else—3,435,000 by the latest (March, 1946) census tabulation, and growing fast. In his expansive way, the Angeleno usually includes the county when he is picturing the size of his community, a habit that was memorialized by the "Los Angeles City Limits" signs which sprouted in every corner of the globe during the war.

• **Room for a Lot**—The county, nine times as large as the city, sprawls over 4,071 sq. mi. Its extreme corners are 80 mi. from the city. You could drop the states of Delaware and Rhode Island into Los Angeles County and still find room for the cities of New York, Chicago, and Philadelphia without crowding.

Los Angeles' industry, its agriculture, its population are the tangible indicators of its new eminence. A more elusive fact about Greater Los Angeles, including Hollywood, is the power the community exerts on the habits, the tastes, the fashions—in a word, the culture—of the rest of the country. To the extent that this influence deflects the axis of culture as we know it from its moorings east of the Hudson River, it has significant bearing on Los Angeles' standing in the community of cities.

• **Distributor of Ideas**—New York has been the undisputed clearinghouse of ideas for the United States. New York is the headquarters of the three great press associations, and of most of the news feature, news picture, and comic strip services. New York is the hub

QUESTIONS and ANSWERS about TWINDOW

TRADE-MARK



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Q: Where can TWINDOW be used most advantageously?

A: Twindow should be used wherever clear vision and effective insulation are important. It is a "natural" for large windows in homes, for store front windows, large windows in factories, office buildings and institutions, and for numerous special uses such as the glazing of refrigerated display cases.

Q: Why was TWINDOW developed?

A: Twindow is a result of extensive

research at the Pittsburgh Plate Glass laboratories to develop an efficient, economical means of combining transparency with good insulating qualities.

Q: Just how well does TWINDOW insulate?

A: Twindow reduces heat loss through windows to less than half that experienced with a single pane of glass. This insulation decreases the load on heating or air-conditioning equipment.

Q: What effect does TWINDOW have on room comfort?

A: Twindow makes areas close to windows just as comfortable as other parts of the room. It minimizes downdrafts and helps to keep temperature and humidity at proper levels for health and comfort.

Q: Can TWINDOW help eliminate the nuisance of fogged windows?

A: Yes. Except under extreme conditions, Twindow's sealed air space prevents condensation on the glass, assuring clear vision. And since no dirt or dust can reach its sealed-in surfaces, Twindow is as easy to keep clean as an ordinary window.

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A: No. Twindow is an easily handled unit, and installs as simply as a single window pane.

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• **Challenger**—But Los Angeles has sliced hunks out of New York's importance. Los Angeles-Hollywood remains the home of the motion picture industry, which makes opinion and creates demand among millions of people who do not read New York's books or see its plays.

Advertisers and promoters have accorded full recognition to the influence of the movies on audiences by their efforts to incorporate their products and brand names in the production props.

• **New Arbiters**—Hollywood, with the deft touch of the showman, has bedecked its actors and actresses with a glamor transcending reality, and to growing numbers of people its prominent citizens are fast displacing New York's arbiters of taste, fashion, and even opinion. A glance at any resort crowd or group of women shoppers is convincing proof of the origin of their tastes in clothing and hair styling.

Radio, too, is partly responsible. Twelve years ago Hollywood beamed its first chain broadcast to the East—the Lux Radio Theater. Association of the names of film players with commercial products made a smash hit with advertisers, and then nothing could stop radio's drift to Hollywood.

• **Ruling the Nighttime**—From that simple beginning in 1934, Hollywood has risen to a dominating position in nighttime radio. Daily Variety has published trade estimates that as much as 90% of network radio will originate in Hollywood by next season.

Actors needed writers; together they needed producers and directors. All of them needed sponsors, and so the big advertising agencies established Hollywood offices to round out the picture.

Fan magazines by the score, Hollywood columns in every newspaper, special radio programs, and even the movies themselves are devoted to telling how the film colony lives. And these media must be held partly accountable for Hollywood's influence on the rest of the country in its choice of sports apparel, bathing suits, ceramic giftware.

• **Proving Ground**—Los Angeles is the immediate public on which Hollywood's innovations are sprung. If they click in Los Angeles, they are given a chance elsewhere. If they flop in Los Angeles, that's usually the end.

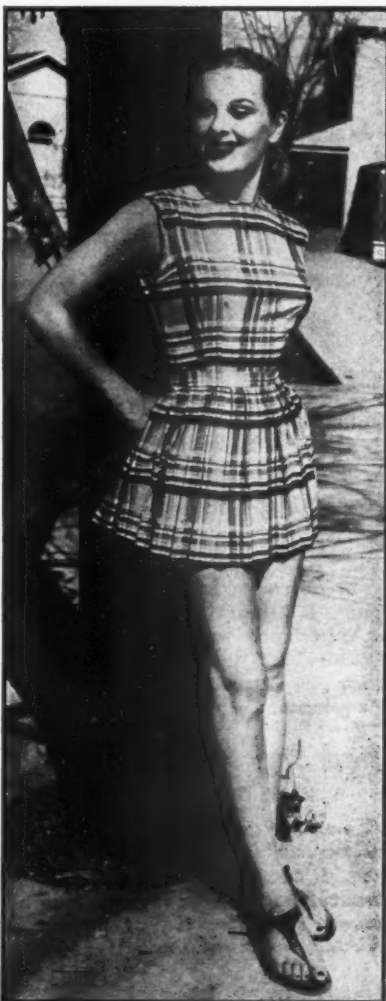
It cannot be concluded that Los Angeles and Hollywood are synonymous.

Raw Los Angeles is the finite, the concrete, the real; Hollywood is the infinite, the make-believe. But as Hollywood's mirror, Los Angeles reflects today the image that much of the country will see tomorrow—and seeing, copy.

Threat to Shoes

Makers of leather goods facing a dearth of hides as a result of differential between the world and domestic price.

An industry spokesman's prediction that the manufacture of shoes will stop almost completely by the end of this month as a result of OPA's refusal to decontrol or raise price ceilings on hides, leather, and shoes brings into sharp focus the untenable position in



Major Los Angeles exports: sportswear and beauty. Mary Brewer, one of six Hollywood models to be "lended" to Britain, exhibits both.

which tanners and leather and shoe manufacturers find themselves since the revival of price control.

It was expected that 30 to 40 shoe plants throughout the country would be shut down by Wednesday for lack of leather. The Nashua and Manchester (N. H.) plants of the J. F. McElwain Co., makers of Thom McAn shoes, had shut down temporarily last week, and were expected to close again this week. International Shoe Co. of St. Louis had 23 of its plants shut down last week by labor trouble but low inventories are a threat even if the strike is settled.

• **Discrepancy**—Current prices for hides and skins on the world market are anywhere from 75% to 100% in excess of the domestic ceilings which have been automatically reimposed under the new OPA law, and which OPA refuses to moderate. The tanning industry, the greater proportion of whose product ends up as shoes, normally requires about 75,000,000 foreign hides and skins. It takes about 55,000,000 more from domestic sources.

The discrepancy between foreign and domestic hide and skin prices is no long-term affair—it began just six weeks ago, on June 26. On that day the combined Hides, Skins & Leather Committee, organized by the United States and Great Britain and with representatives of all the major Allied leather consuming nations on it, was dissolved.

• **Russia Changes Things**—The committee had allocated the relatively fixed supplies of hides and skins to participating nations throughout the war, thus keeping leather and shoe prices under control. The straw that broke the committee's back was a series of Russian bids for Argentine hides at prices up to 15% above international ceilings.

Argentina is the leading exporter of quality cattle hides, and the committee, unable to obtain supplies from that country because of the Russian bids, decided that its usefulness was at an end because it could not meet its commitments.

• **Cut-Throat Bidding**—Termination of control resulted in cut-throat bidding for the available supply. What happened to world prices is shown by the course the United States price took while OPA was dormant. It shot up from the old ceiling of 15¢ a lb. to about 27¢. Today the old ceiling has been reimposed in the U. S., but the world price is still at the higher level.

And the American tanners are squeezed. Cost on more than half of their raw materials has shot up without any compensating increase in their selling price. To complicate things further, their domestic sources are drying up.

• **Into Storage?**—Many meat packers are refusing to sell hides at OPA ceilings, are planning to warehouse them for at least three months, according to a tan-

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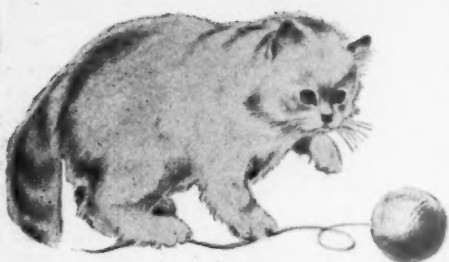
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Equip your product with the casters that roll smoothly over all floor surfaces and are famous for trouble-free service and durability—Colson Casters. There are precision-built Colson Casters for every commercial, institutional and industrial use. Write now for detailed information.



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this BALDWIN "workhorse"
is another BALDWIN "FIRST"

Who doesn't thrill at the sight of a locomotive speeding down the track with a long string of cars!

In *comparison* are the "workhorse" locomotives that make up these trains, car by car. How lacking in glamour! But how tremendously important their work!

Baldwin's latest achievement has been to pack the power of 2000 horses under the hood of a diesel-electric transfer and road locomotive . . . the most *power* ever concentrated in a single modern unit of this type.

In locomotives, as in the design and manufacture of presses, testing machines, diesel engines, ship propellers, hydraulic turbines, and similar equipment, Baldwin welcomes unusual problems, arrives at many unusually practical and effective solutions.

The Baldwin Locomotive Works, Philadelphia 42, Pa., U. S. A. Eddystone Division; Standard Steel Works Division; The Whitcomb Locomotive Co.; The Pelton Water Wheel Co.; Baldwin Locomotive Works of Canada, Ltd.; The Midvale Co.



BALDWIN



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Hott on the Trail to New Ventures

Last March, when Melvin B. Hott and some associates made a quick sale of an option that they held on 30,000 shares of stock representing a controlling interest in the Ohio Electric Mfg. Co., Cleveland builder of electric motors, Hott felt pretty well satisfied. Anyone is likely to feel that way with a \$14,000 profit on a quick turn.

But when Hott went home and started idly counting the number of small electric motors used to run various gadgets in his well-furnished bachelor's apartment in Shaker Heights, he began to have misgivings.

• **Second Thought**—When he had counted as many as fifteen, he stopped and decided he had made a mistake in letting the Ohio Electric Mfg. Co. go.

So convinced did he become that small motors had a tremendous future that, together with Otto Hansen, investment counsellor of 165 Broadway, New York, and Frederick J. Raskopf, president of the Presidential Tobacco Co., New York, he set about acquiring the Alliance Manufacturing Co., Alliance, Ohio, and the Precision Mfg. Co., Bergholtz, Ohio. Alliance boasts it is the world's largest producer of "flea power" motors used in electronic devices and phonograph record-changers. Its output—16,000 a day—will be in-



Melvin B. Hott

creased to 26,000 a day when copper is available.

• **Confessed Opportunist**—The two properties cost Hott and his associates \$2 million.

Sudden and dramatic operations in new fields are nothing new to Hott, who frankly confesses that he is an opportunist. He formed the Hott Coal Co. in 1939, after eyeing the industry and patiently waiting for enactment of the Guffey Act before

exercising an option he held on large coal tracts in southeastern Ohio that were suitable for strip mining.

He has since organized the Lamel Corp., holding company for the recently formed Hott Coal & Coke Co., the Johnson Mining Co., Allegheny Exploration Co., and a newly formed realty company which has acquired a large parcel of land on Lake Erie at Madison, Ohio, for a recreation development.

• **Off to an Early Start**—Hott's school career came to an abrupt end when he was twelve. He landed a job in a grocery store in his home city of Canton, Ohio. A rapid succession of other jobs included selling automobiles and insurance. In 1929 he organized the First National Casualty Co. in Akron, an insurance underwriting firm, but sold it in 1934 in order to become the Akron representative of Cyrus Eaton's Otis & Co., Cleveland investment house.

After a year with that firm, Hott decided that he had accumulated enough knowledge to open his own investment company in Cleveland. He terminated it in 1941.

• **On the Lookout**—Hott and his associates are now looking for other manufacturing companies. They are advertising in financial papers, inviting correspondence from potential sellers.

ning industry spokesman who hopes to force a price increase from OPA. As a result, tanners assert, their inventories are at the lowest point in history, with no possibility of replenishment under existing ceilings.

The tanners insist that OPA will have to retreat from its present uncompromising position if a complete cessation of leather and shoe production is to be avoided. They declare that complete decontrol is called for, that even a substantial price increase would leave their fundamental problem unresolved as long as any differential exists between domestic and foreign prices.

• **In Terms of Shoes**—Decontrol on leather would inevitably imply decontrol on shoes, too—or at least much higher ceilings. But the industry believes that plenty of shoes at higher prices are much to be preferred to no shoes at present ceilings.

There is no doubt that civilian shoe production, which has reached record levels in the battle to alleviate war-induced shortages, is certain to suffer unless the problem of hides and leather is solved satisfactorily.

Hoarding Cars?

Report that auto dealers are holding back large stocks may be supported by a current survey of registrations.

Reports that dealers are hoarding new passenger cars may be supported by the first figures on new car registrations issued since 1941 by R. L. Polk & Co., Detroit statistical agency.

The reports that some dealers are keeping a disproportionate number of cars in storage assert that the reason for the holdbacks is that the revived OPA is reinstituting the original dealer discounts instead of the shortened margins originally put into effect over the vehement protests of the National Automobile Dealers Assn. last winter (BW—Nov. 17'46, p17).

• **Manufacturers Angry**—The return to the original discounts plus permission to enlarge handling charges from 2% to 5% will give dealers an added profit of

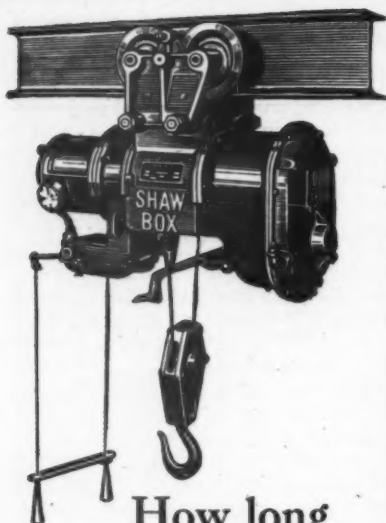
\$75 or more per car, all passed on to retail buyers.

Whether the hoarding reports are true or not, it is a fact that the newly enlarged discounts and handling charges are highly irritating to auto manufacturers. Their dealers now are making more than their 1941 profit margins, having eliminated trade-in losses, while the auto companies are working in low-profit territory.

The car makers feel not only that the dealers have taken practically all the markup in autos, but also, by now obtaining the higher discounts and make-ready charges, have made it most difficult, if not impossible, to obtain any further retail price advances from OPA.

• **Reports From Eight States**—The initial Polk report indicates that new car deliveries during the first half of 1946 have been only 16.6% of the comparative 1941 rates. Meanwhile, new car production has run 26.5% of the 1941 rate.

However, the current Polk report covers only the first eight states reporting, where 20,384 cars were sold during the first six months of 1946, compared



How long is "always"?

WHEN we asked a 'Load Lifter' owner how long his hoist, (doing a particularly hard important lifting job) had given him trouble-free service, his answer was "always". . . which, at least, means a long, long time.

The rugged 'Load Lifter' handles capacity loads day in and out with the minimum of attention, of repair and upkeep costs.

The reason is not only the basically strong construction, but also many special features not found in their entirety in any other hoist. Among them are one-point oiling, two-gear reduction drive and fool-proof upper stop.

The 'Load Lifter' asks no questions about the lifting work to be done. No matter how continuous, how close to capacity each load or whatever difficult conditions it works under, it does the job and after each day's punishment is ready for the next.

Find out about the 'Load Lifter' if you have a lifting problem within the capacities.

'Load Lifter' Electric Hoists are built with lifting capacities of 500 to 40,000 lbs. in all combinations required for industrial needs. They are adaptable to almost every working condition within their capacities. Send for Catalog No. 215.



'LOAD LIFTER' Hoists

MANNING, MAXWELL & MOORE, INC.
MUSKEGON, MICHIGAN

Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

with 122,656 in the same states and period in 1941. Projected through the remaining states, this would indicate sale of about 410,000 units for all parts of the country.

• **Production Estimate**—Meanwhile, Dept. of Commerce figures show that output during the first six months amounted to 641,682 passenger cars. Deducting an estimated 65,000 for export, this would leave a net balance of about 575,000 for domestic consumption.

The difference of 165,000 in production and sales would be accounted for by cars in transit, the comparatively few cars held at factories for completion with missing parts, the few thousand built too late to be delivered during that period, and cars are not yet sold.

Draft Pool Low

Deferment of agricultural workers likely to place load on business and industry for Army's 25,000-a-month quota.

Selective Service, which at one time breathed hotly on the necks of millions of male Americans and attained peak induction of 406,175 in February, 1943, into the armed services, will enter its seventh year in September, grasping feebly for about 25,000 men a month.



This means that each of the 6,443 local boards must find only four men 20 through 30 years of age fit to enter the Army. The Navy is satisfied with enlistments.

• **Teachers Deferred**—Agriculture's 370,000 (in II-C), still favored by deferment, will supply almost none of the quota. Nineteen-year-olds are scarce because the class was drafted when it was 18, before the law was changed. College teachers of certain subjects, mostly science, will probably be deferred and remove 4,000 to 8,000 eligibles, depending on how many the Office of Scientific Research & Development labels "essential."

Hence the pool most liable to be drained by resumption of drafting will be the one composed of young men in business and industry (II-A) which totals 365,000.

But, since fathers are exempt, and only 500 Negroes a month are wanted, draftees between September and Mar. 31, when the present law expires, will be chiefly single, white workers 20 to 26 years old, with a scattering of single whites 26 through 30, just enough to fill out the quota.

• **Quota May Rise**—That business and industry have made so few complaints of a threat to their younger employees is believed to be caused by three things: (1) Local boards still make the decision on whether a man's job is essential; (2) returned veterans are replacing deferred civilians whose skills made them essen-



TRIPLE PLAY: FROM PERRY TO COX TO GOBLE

Last week U. S. Steel executives witnessed—or participated in—a decorous game of musical chairs. Charles R. Cox (left), formerly president of National Tube Co., U. S. Steel subsidiary, stepped into the presidency of Carnegie-Illinois Steel Corp. He succeeded J. Lester Perry, now assistant to the president of U. S. Steel Corp. of Delaware. John E. Goble (right) left his post as vice-president of National Tube to fill the presidential chair left empty by Cox. Both Cox and Goble have served National Tube more than a decade.



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Versatile sulphur finds its way into nearly all modern industrial processes . . . and virtually ALL the nation's sulphur is produced in the Gulf South. This is an important advantage for industry located here.

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Let us assist you in developing specific information about plant sites, fuel costs, natural resources and other factors affecting your particular business. No obligation, of course.

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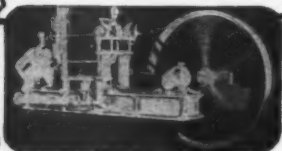


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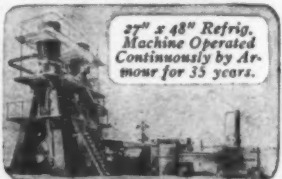
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*"... send me ten dollars
of Maryland money..."*



Frick Steam Engine Built 1856, Now in the Ford Museum.



27" x 48" Refrig. Machine Operated Continuously by Armstrong for 35 years.



Large 4-Cylinder Frick Compressors of Today, with 300-hp. Motors.

So wrote one of our customers in December, 1860. Living south of the Mason-Dixon Line, he complained of "Harrisburg bills" that "we cannot do anything with that money here."

This was seven years after George Frick had established his steam-engine business (1853). The Company which still bears his name has since lived through four wars and many nationwide financial crises.

In 1882 Frick Company began making the refrigerating machinery which is now the standard of excellence throughout the world. Many of the Frick compressors built forty or fifty years ago are still in daily operation. One of them has been on the job nearly 60 years!

That's the kind of reliability only FRICK equipment gives. Let us quote on your cooling needs.



tial; (3) the numerical threat of 25,000 a month is weak.

Glumly, Selective Service is eying its loyal, unpaid local boards and their many-times-reshuffled registrants' cards. Perhaps it would like to dip into the 370,000 young farmers, but even if Congress had not forbidden it, the number of fathers and physically unfit make the pool less promising than its total indicates.

During the next seven months, draft boards hope to find 155,000 men fit to induct. Indications that the Army will ask them for 250,000 make them glummer. Last January, draft quotas were 96% filled—in June the ratio fell to 29%.

Video Challenge

CBS, battling away at the proponents of black-and-white television, will bid for public support of color showings.

When the National Broadcasting Co. and Gillette Safety Razor really showed television's potentialities by staging an elaborate broadcast of the Louis-Conn fight recently (BW—Jun.29'46,p18), the Columbia Broadcasting System definitely did not send up a cheer. The nimble brains at CBS were busy figuring out how to prick NBC's lovely new bubble.

• **New Mobile Unit**—Last week CBS thought it had a weapon sharp enough: Early this fall it will stage demonstrations of color television in any available suitable public place—department stores, railroad stations, museums—seeking to convince the public that color is superior to current black-and-white. If, as a result, the public thereafter shows a disinclination to buy black-and-white video receivers, hoping that the color type of receiver will come in the not too distant future, CBS will be in a most agreeable frame of mind.

For program material, CBS will use color films and a new mobile unit designed to pick up spectacles that lend themselves to color. One sector in which the mobile unit may operate is football. It's believed that CBS already has dickered, or soon will, with Columbia University for rights to its games this coming fall.

• **Battle Over Patents**—Basically, the television fight between NBC (and its parent Radio Corp. of America) and CBS is a matter of patents. NBC-RCA now have big stakes in the black-and-white television field, although they have been doing some color work on an experimental scale (BW—Dec.22'45, p21). CBS has the rights to a color system that operates by use of a "color

R.C. Allen

CASH REGISTERS

that business likes and wants . . .

These features insure exceptional value and a dependable performance in R.C. Allen Cash Registers:

- Capacity up to \$10,000.00
- 7 department keys, enforced designation
- Protected audit strip records special transactions
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- PO and CH items non-added
- Visible total dials controlled by shutter and lock
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- High-speed, full flexible keyboard



R.C. Allen Business Machines

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ADDING MACHINES * CALCULATORS * BOOKKEEPING MACHINES * CASH REGISTERS

No Wonder Uncle Sam Is Worried!

The policy of the Civil Aeronautics Board denies American steamship companies the right to supplement their sea routes with SCHEDULED plane service—preventing natural expansion of American Merchant Marine—while allowing foreign shipping interests to fly planes to our shores.

THIS fast-moving world demands forward-looking decisions. Yet, the Civil Aeronautics Board has refused applications of American steamship companies for overseas air routes—although these have been sought without exclusive rights or privileges and would involve no expense to American taxpayers.

What is Your Stake?

You know the vital contributions of the American Merchant Marine in war and in peace. Our nation's world trade was developed by shipping companies. And victory was won through America's unequaled coordination of our sea and air arms. At all times, it is imperative that America have passenger liners convertible into troop-ships.

Today, however, realizing that many passengers will fly instead of traveling by ship, steamship companies hesitate to build fast passenger-carrying vessels. If steamship lines could have complementary air service, passenger revenues could be maintained and ship tonnage expanded.

Foreign Governments Are Awake to the Danger

Already, airlines controlled by foreign steamship companies have applied to the CAB for landing privileges in this country. Such permission has been granted to Swedish, Norwegian, and Dutch companies.



Your Benefits from Coordinated Sea-Air Service

You could purchase a single ticket—going by sea and returning by air or vice versa.

You would use the steamship companies' knowledge of trade conditions and tourist attractions in foreign countries.

You would benefit from our lower costs through use of the same personnel for both sea and air travel—and through attractive sea-air combination tours.

Above all, you would guarantee yourself a strong, well-rounded American Merchant Marine, while strengthening America's air transport industry.

The Waterman Record of Service

For 27 years, Waterman ships have extended American trade to all parts of the world. For over 20 years, we have given service to passengers, as well as to exporters and importers, between the mainland and Puerto Rico.

As long ago as 1939, realizing the need for air service to Puerto Rico, we acquired a plane, made survey flights, and applied for certificate for the route.

During the war, in addition to building and operating ships for the Government, we provided training for military pilots. Since 1945, Waterman has operated the first intrastate air service between major cities in Alabama.

During July, we began NON-SCHEDULED air cruises from New Orleans and New York to Puerto Rico, West Indies, Latin America—flying the Douglas Skymaster, manned and serviced by skilled personnel.

Waterman pilots are fully certified by Civil Aeronautics Administration.

Whenever CAB permission is granted, Waterman will fly planes on regular schedule. At present, we can offer only non-scheduled flights. Hence we provide Waterman air cruises at 10% lower cost than scheduled services.

Don't You Believe that This Is Your Fight Too?

We make this appeal direct to you, believing that you will further the cause of the American Merchant Marine in its desire to have "ships grow wings" for the good of our nation.



The Air Arm of
Waterman Steamship Corporation
Mobile, Alabama

For illustrated folder and information on how you can fly via Waterman, call your travel agent or contact your nearest Waterman Steamship Office—New York, New Orleans, St. Louis, Chicago, Philadelphia, Mobile, Birmingham, Savannah, Boston, Buffalo, Pittsburgh, San Francisco, Norfolk, Gulfport, Miss., Memphis, Baltimore, Atlanta, Panama City, Tampa, San Juan, P. R.

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This revolutionary tractor attachment digs straight holes quickly — takes the drudgery out of post hole digging. Ideal for seedling and foundation holes, too. Now adaptable for Ford-Ferguson, John Deere A & B, and International H & M. Danuser Digger adaptations coming soon for Case VAC, Allis-Chalmers B & C, Willys-Overland Jeep, and Oliver 60, 70 & 80. For full details write Dept. B . . . DANUSER MACHINE CO., Fulton, Mo.

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John R. Davis (center), Ford vice-president in charge of sales and advertising, signs a deal for a Ford-sponsored series of television broadcasts from Madison Square Garden over Columbia Broadcasting System facilities. Onlookers are (seated left and right) Frank Stanton, CBS president, and Ned Irish, Garden executive vice-president; (standing, left to right), Henry Ford II, Ernest R. Breech, Ford executive vice-president, and CBS chairman William S. Paley.

wheel"—that is, color produced by mechanical devices.

Currently, the Federal Communications Commission allows commercial television broadcasts in the lower frequencies, suited only to black-and-white. Color television has been relegated to the higher parts of the spectrum on an experimental basis.

For many months CBS has been trying to buck this situation by inferentially telling the FCC and the public that such rules enable NBC-RCA to dip twice into the public's pocket—once with black-and-white, and again perhaps five years later with color television. (NBC-RCA, incidentally, brush off CBS' contention by saying that the new art should be developed at once, and that color, when it does come, won't be CBS' mechanical type, it will be "electronic color.")

• **FCC Remains Cool**—So far, FCC has shown no inclination to adopt CBS' color-or-nothing doctrine. This was demonstrated again a few weeks ago when CBS cannily suggested that two black-and-white television channels should be assigned to frequency modulation to make more room for FM newcomers. Evidently believing that CBS' suggestion showed more disapproval of black-and-white television than it did solicitude for the expansion of frequency modulation, the commission decided to shelve CBS' recommendation.

But insiders know that CBS will con-

tinue to battle for color with every shot in the locker. And the new tactic of openly enlisting the aid of the public through demonstrations is something the industry is contemplating with some measure of trepidation. For CBS, if successful enough, could well make things warmish for the black-and-white adherents.

• **Ford Signs**—Other television news of last week:

Despite its onslaught against black-and-white television, CBS signed the Ford Motor Co. for a series of commercial broadcasts over WCBW, the CBS black-and-white station. Programs will consist of sports and spectacles—other than boxing—from Madison Square Garden in New York. Ford makes the second major auto maker to try the new medium.

Previously the Chevrolet division of General Motors had signed with American Broadcasting Co. for a video series (BW—May 11 '46, p94).

Gimbel Bros. department store surveyed sales in Philadelphia after six television broadcasts over Philco's WPTZ, found that the broadcasts bring quick response. On the average, 2% of Philadelphia's 750-set owners bought merchandise plugged on television—and this estimate may be low because Gimbels counted only those persons who said they were lured by the broadcasts. All in all, Gimbels seemed impressed by the medium and the pulling power it demonstrated.

Chicago and Northern Illinois— "A Department Store" for Industry

"I* make electrical relays and switches here in Chicago. My plant is small. A prospective customer recently called on me to place a substantial order. When he went through my factory he stated quite frankly he doubted my ability to produce the order. I asked him to reserve judgment and took him for a little excursion around the city. Within a few hours we visited my tool and die maker, a screw machine shop, three plating and finishing firms, (each a specialist in a different type of finishing), a metal fabricator and other suppliers.

"'You're not a small outfit, mister,' he concluded. 'You're in mass production with departments for every process at your finger tips.' He placed his order and I agreed to start delivery in 30 days . . . was actually shipping in three weeks. In today's market I find this diversity of facilities most helpful. To me, Chicago and Northern Illinois is a practical 'department store' of industry."

*Name on request



This true story typifies the war-time operations of thousands of Chicago manufacturers who could not hope to provide for every manufacturing process within their own walls. It helps to explain why this area became the nation's subcontracting center, producing by the war's end 23% of the nation's electrical machinery, for example, and 40% of the electronic equipment.

Utilizing cost-saving techniques, many small manufacturers in Chicago and Northern Illinois are today in mass production, despite limitations of inside facilities and capital investment. They have learned how to produce and make delivery from this industrial area easily, quickly, economically—and in large quantity.

Our staff of trained industrial engineers is prepared to answer any inquiries about the many economic resources of this area. On request they will make a special detailed study, for your business, of the various factors which make Chicago and Northern Illinois such a strategic industrial location. This work is carried on without charge. All inquiries are handled confidentially and promptly.

Industries locating in this area have these outstanding advantages: Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • 2,500,000 Kilowatts of Power • Tremendous Coal Reserves • Good Government • Good Living • Send for free booklets containing useful information on these advantages.

This is the tenth of a series of advertisements on the industrial, agricultural and residential advantages of Chicago and Northern Illinois. For more information, communicate with the

TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANdolph 1617

COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY



Investment Test

Boston businessmen form group to investigate unproved enterprises. Development fund will promote new techniques.

A group of Boston businessmen, often approached by strangers trying to persuade them into unproved investments, has formed New Enterprises, Inc., to investigate such ventures.

• **Development Funds**—New Enterprises is prepared to provide funds for development of new techniques in their early stages, for existing enterprises which employ a novel process in their operations, and for the expansion of ventures which it has previously financed. The corporation will have a capital and paid-in surplus of \$300,000 to be used for research and early developmental expenses of projects under investigation.

If a project appears to have good commercial possibilities, a separate corporation will be formed, financed by New Enterprises stockholders, who are not

obligated to subscribe to a venture if it does not interest them.

• **Interested in Techniques**—Most of New Enterprises' 20-odd stockholders were members of a similar organization before the war, but reorganized on a new basis this year. Stockholders are interested chiefly in new scientific and technological techniques with several commercial possibilities. They do not want to back merchandising or consumer services.

New Enterprises has considered about 75 new ventures so far, but hasn't signed up any, although four or five are being considered seriously.

• **Engineering Talent**—Financial and engineering know-how is offered the corporation by its management, William A. Coolidge, president, a special partner in the investment banking firm of Paine, Webber, Jackson & Curtis, and Eugene B. Hotchkiss, vice-president, a graduate engineer associated during the war with Harvard's Radio Research Laboratory and the Office of Scientific Research & Development.

Low-Cost Homes

McCloskey of Philadelphia is launching program of putting up pre-cast concrete houses to sell at less than \$10,000.

The week's startling news in the building industry was the announcement by Matthew H. McCloskey that he will start construction of 1,000 single homes 20 minutes from City Hall, Philadelphia, to sell at less than \$10,000 apiece. The first is promised for September occupancy.

The Philadelphia builder, a prominent figure in construction of public buildings for 30 years, has two similar projects on the planning boards—another one near Philadelphia and one at New Brunswick, N. J. He promises that more will follow all along the East Coast.

• **Stotesbury Acres**—This single-handed attack on the housing shortage began last week with the purchase for \$265,141 of the remaining 265 acres of Whitmarsh Hall, home of the late Edward T. Stotesbury, near Chestnut Hill. The mansion and 25 acres of ground were sold in 1943 to the Pennsylvania Salt Co. (BW—Oct.30'43,p20).

The \$10,000,000 project, to be known as Whitmarsh Village, was then laid out with an eye toward retaining as much as possible of the gardens, trees, shrubbery, and landscaping which won the acclaim of visiting royalty and other celebrities.

• **One-Story Houses**—The individual home sites will average 70x110 ft., with



NEW FIELDS TO CONQUER

High military bars go down as atomic energy turns to epochal peacetime channels. Last week, Dr. E. P. Wigner (left), director of Clinton Laboratories at Oak Ridge, Tenn., transferred to Dr. E. V. Cowdry, director of St. Louis' Barnard Cancer Hospital, a speck of radioactive C-14 carbon to help track down cancer. The \$400 sale signalizes anew that radioactive isotopes have entered the commercial field (BW—Aug.3'46,p19).



THE BIG STICK

Flanked by Speaker Sam Rayburn, V. H. Harding, deputy sergeant at arms of the House, officially closed the 79th Congress last week with the traditional toting out of the historical mace. And that symbol of authority really meant something during the session; for the first time in years the seat of power was on Capitol Hill.

houses of the one-story type popularized in Florida and California. A typical unit will have a living room, three bedrooms, bath, dinette, kitchen, utility room, and a one-car garage with store-room.

The big time-saver in the project is the exterior construction of pre-cast concrete, made on the site and hoisted into position by crane. This operation is McCloskey's own idea. During the war, he built concrete ships and barges (BW—Aug.19'44,p38) at Tampa, Fla., and Houston, Tex.

• **Ten to 15 Daily**—McCloskey estimates that once the project is under way, ten to 15 homes can be completed daily. He emphasizes that they are not to be confused with prefabricated dwellings, and says they have been approved by both FHA and Wilson Wyatt, housing expediter.

The price range will be from \$8,800 to \$9,800 for houses of six and seven rooms. These prices are lower than most row houses in Philadelphia are bringing on the current market.

Stotesbury started building Whitmarsh Hall in 1916, his 50th anniversary with Drexel & Co. It was opened in 1921, and it had achieved international reputation by the time it was closed, soon after Stotesbury's death in

It pays to know when to relax!



If you set too fast a pace in work or play . . . worry too much . . . or often get upset emotionally, you waste your energy and fatigue sets in.



Conserve your energy

by avoiding such conditions. Store up more energy by getting enough food,



rest, sleep, and fresh air.



If you are continuously tired or listless, see your doctor! It may be an early sign of a serious ailment or an infection, or be due to poor eyesight, hearing,



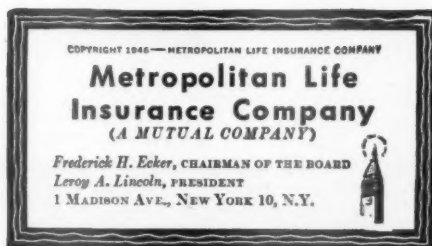
or posture.



You can usually avoid harmful fatigue if you'll just remember to relax!



Metropolitan's free booklet—"Fatigue . . . What To Do About That 'Tired Feeling'"—contains many helpful suggestions on how to relax and keep fit. Write today for booklet 96-S.



TO EMPLOYERS: Your employees will benefit from understanding these important facts about relaxation. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!



Complete Harmony in Kansas

* It is very true that Kansas meets industry half-way. Kansas' labor is 97% American born, 94% white . . . rural in origin, experienced, intelligent and neither inclined nor suscep-

these are important, too . . .

Kansas' strategic location means big savings in time and costs for executive and administrative travel. Sales management is nearer to all territories, salesmen nearer the home office. Distribution time is reduced, costs lowered. Consider these with the many other advantages Kansas offers and you have a combination that is hard to beat anywhere.

tible to radicalism. Kansas' business and professional population is wholeheartedly cooperative . . . tax legislation is favorable and labor laws are equitable. Kansas' banks offer every necessary facility. Kansas' farmers are industrious, prosperous and progressive. All in all, it is a harmonious combination that you will enjoy profitably.

You will be interested in the brochure, **Let's Look Into Kansas.** Ask for it on your letterhead.



KANSAS INDUSTRIAL DEVELOPMENT COMMISSION

KANSAS *REALLY* MEETS INDUSTRY HALF WAY

WILLIAM E. LONG, Secretary-Director
813-E Harrison Street, Topeka, Kansas

May, 1938. Mrs. Stotesbury died last May in Florida.

• **Half-Billion Mark**—The Whitmarsh Village project will put McCloskey well above the \$500,000,000 mark in construction. His biggest job was the \$30,000,000 Borinquen U. S. Army Airfield at Puerto Rico.

McCloskey left school at 15 to become an office boy for his uncle, went into the building business for himself at 18. When he was 25, he snared his first million-dollar contract, to build the Naval Aircraft Factory at the Philadelphia Navy Yard, which he finished 32 days ahead of schedule, winning a bonus of \$32,000.

Cactus Warfare

California imports Texas insect warriors to halt prickly pear's costly invasion of its cattle grazing lands.

California cattlemen may derive sizable annual savings from present plans for an insect war against prickly pear cactus, which encroaches on their grazing lands.

Texas has this pest, and also some insect parasites not found in California. Prof. Harry S. Smith, entomologist, recently brought four types of Texas' cactus enemies to the University of California's Citrus Experiment Station at Riverside, and is propagating large swarms for release on the ranges.

• **Bug Blitz**—Two bugs of squash type (*Chelinidia tabulata* and *Chelinidia vittiger*) have long sucking beaks, suck the cactus pads dry, and also spread a bacterial disease. Two moths (*Melitara bolli* and *Melitara prodenialis*) lay sticks of 50 eggs on prickly pear spines, and their larvae pierce the pads, eating the flesh and leaving the cactus a shell.

In Texas, these parasites are in turn preyed upon by other insects whose larvae eat the parasites' larvae. These enemies are not found in California.

• **Specialized Tastes**—Some fear has been raised that California's ornamental cacti may be attacked, but Prof. Smith points out that cactus parasites are highly specialized and prey on only one type of cactus. In propagating his bugs and moths, he finds that they even prefer prickly pear pads from one locality over those from another area.

The prickly pear cactus has almost no commercial uses, although a little of the fruit is sometimes gathered and shipped for a salad popular among the Italian populations of eastern cities. The pads are also singed and fed to cattle in Texas, but cattlemen are not agreed as to food value, and such a diet often gives animals sore mouths.



DELAYED BY DELIVERY DATES?

Get your production machinery NOW...built by HENDY

If delivery dates on the industrial machinery you need have been postponed again and again, come to HENDY for *action*. HENDY will build that machinery for you *now* and enable you to get into production months earlier.

The 82 acres of HENDY plants...among the nation's finest...and the HENDY staff of skilled engineers and craftsmen make a combination that can crack your equipment problem, no matter how exacting the specifications.

And this same combination of HENDY tools and HENDY men can also turn out heavy industrial products on a sub-contract basis.

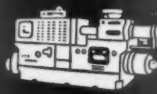
Beat those delivery dates... **write today to**
General Equipment Dept., Joshua Hendy Iron Works,
Sunnyvale, California

JOSHUA HENDY IRON WORKS • Plants: Sunnyvale, California and
Torrance, California • CROCKER-WHEELER ELECTRIC DIVISION: Amper, New Jersey

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EST. 1856



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Fuel Struggle

FPC may ask next Congress for further power over natural gas. Coal and rail interests want marketing restrictions.

It will be up to Congress, next year, to decide whether the nation's fuel resources should be put under a "planned economy" or continue to be sold in unrestrained competition. Springboard for the issue is the Federal Power Commission's investigation to obtain nationwide data on the conservation and utilization of natural gas.

FPC has worried over gas conservation and use since 1940, but was unable to do much about it during the war because the War Production Board was in the driver's seat. Last September, after a year of preparation, FPC started a series of eight hearings in Kansas City (BW-Sep. 15 '45, p. 28), with the announced purpose of determining whether additional legislation should be recommended to Congress to protect natural gas supply and use.

• **And Still Growing**—In 1925 natural gas service reached 359 counties in 19 states. Now it is furnished to 1,268

counties in 33 states and the District of Columbia (map, below). About 11,500,000 domestic, commercial, and industrial consumers paid a little over \$800 million for service in 1944, and by now, the figure has probably reached \$1 billion.

Today the natural gas industry plans to spend a half-billion dollars on expanded service. Proposals have been filed with FPC during the first six months of this year for about 6,000 mi. of main trunk lines costing some \$220,000,000. During the same period, FPC approved construction of 2,400 mi. of pipelines to cost about \$100 million.

• **Hostility**—Such expansion causes shudders in the ranks of the coal and railroad industries and related labor interests. They argue that every new cubic foot of gas put on the market means coal unmined and unhailed.

Odds are that FPC will ask Congress for a declaration of policy governing the competitive uses of gas, coal, and oil and for increased authority over natural gas production and sales—particularly sales to large industrial consumers. No one at the hearings, however, has given support to this entire program.

The gas industry and state officials have opposed any expansion of federal dictation over where and at what price gas can be sold.

The oil industry has stayed away from the hearings, but tends to oppose any threat to gas because of the close connections between the two industries.

• **Common Ground**—Industrial consumers, in general, are more disturbed by a conservation approach that might interfere with their plans for increased use of gas than attracted by the possibility of lower rates under regulation.

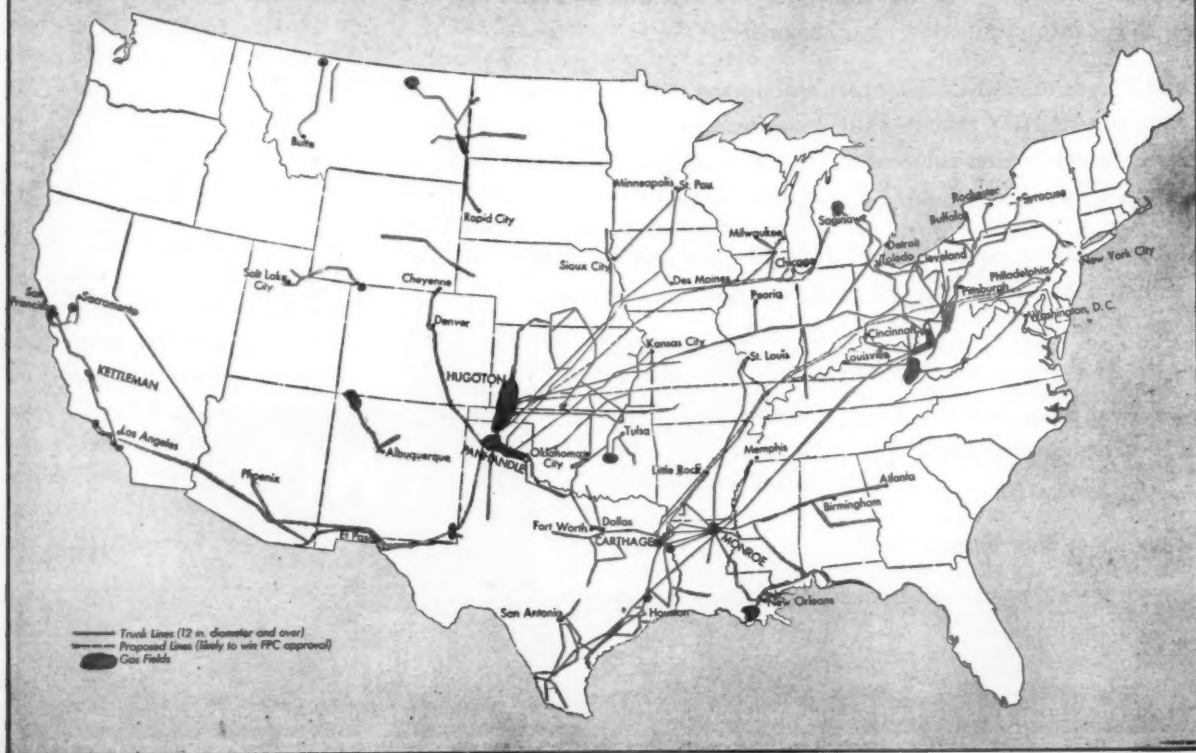
The coal and railroad industries are all for conservation of gas and allocation of markets among fuels. But even they are bothered by the idea of FPC jurisdiction over gas sales direct from interstate pipelines to industrial users. They're sure FPC would reduce the now unregulated rates for this gas and further hurt coal's competitive position.

Principal theme of the coal interests is that the nation's limited store of natural gas (about 35 years' supply on the basis of present proven reserves and an annual consumption of 4.1 trillion cu. ft.) should be conserved—through use, wherever possible, of our 3,000-year coal supply. The coal industry is particularly opposed to the use of natural gas as boiler fuel. It says that applications now pending before FPC, if granted, will displace an additional 50,000,000 tons of coal a year.

• **Restrictions Sought**—The railroads want to be safeguarded against "un-

NATURAL GAS—

Where it comes from, where it goes, how it gets there





FOUR STRANGERS TALK ABOUT ST. REGIS

A Cement Manufacturer: "Did you see this item about St. Regis buying mills in the South? We ship our cement in 94-lb. St. Regis Multiwall paper bags. As a matter of fact, Multiwall bags and St. Regis Bag-filling machines have been standard equipment in the rock products industry for years. This expansion gives them more kraft paper production."

A Magazine Publisher: "I'm not so much interested in kraft paper but I am using all the improved groundwood paper I can get from St. Regis. There's one of my magazines on the table . . . it's printed on St. Regis groundwood . . . look it over and you'll see why my subscribers and my advertisers like fine, opaque St. Regis publication paper."

A Paper Manufacturer: "I happen to know St. Regis well because I make paper and

I buy sulphate pulp from St. Regis. The only trouble is they can't give me all the pulp I need, either bleached or unbleached. I didn't know they were buying mills in the South but I knew they were expanding their big Tacoma pulp mill."

A Refrigerator Manufacturer: "St. Regis has been one of my important suppliers since 1930 . . . not only of paper for insulation but of Panelyte plastic. I know the company as the largest producer of plastic molded inner doors and breaker strips for household refrigerators and of lids and tops for home freezers and commercial units."

Scores of other executives could add to this conversation because St. Regis wood cellulose products are serving 21 basic American industries.

With integrated operation from forest to finished product, and broad expansion projects under way, St. Regis will keep the output of all its divisions in step with the increasing tempo of business in North and South America and in Europe.

Inquiries will receive prompt, careful attention from any one of the sales offices listed.

ST. REGIS PAPER

Company

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PRODUCTS: St. Regis "Tacoma" bleached and unbleached sulphate pulp . . . Multiwall Bags and Bag-filling Machines
. . . Printing, Publication and Specialty Papers . . . Panelyte — The St. Regis Structural Laminated Plastic.

***IT ALL ADDS UP TO**

WORCESTER

MASSACHUSETTS



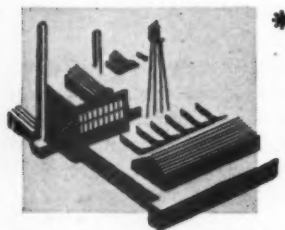
***MARKET** — Nearly six and a half million people within seventy-five miles — the logical center of New England's five billion dollar retail purchasing volume. Number of consumers is three times greater per square mile than U. S. average.



***DISTRIBUTION** — Worcester's strategic location gives you less back haul, fewer traffic bottlenecks, saves time, freight and trucking costs. Large classification yards expedite freight and speed distribution to major New England markets.



***TRANSPORTATION** — All New England is readily accessible from Worcester whose three major railroads, fifty motor truck lines, and airline service make it the logical distribution point for the area.



***LABOR SUPPLY** — Worcester, with many types of skills available, offers a fertile source of productive labor. Excellent co-operation between labor and management has kept Worcester high above the national average for full operation.



***ENVIRONMENT** — Beautiful country, stimulating climate, good schools, five colleges, museums of art, science and history, churches, parks, music festivals provide gracious living in Worcester.

Write the Industrial Bureau, Worcester Chamber of Commerce, for further information. Engineering surveys of your problem available on request.

WORCESTER: NEW ENGLAND'S *Logical* POINT OF DISTRIBUTION



FOR CONSPICUOUS SERVICE

Willard H. Dow (above), president of Dow Chemical Co. and of Ethyl-Dow Chemical Co., now adds a new one to his list of honors: the Chemical Industry Medal for 1946. Dr. Dow is cited by the American section of the Society of Chemical Industry for "conspicuous service to applied chemistry"—especially in connection with Dow Chemical's contribution to the war program. A veteran of World War I, he served during World War II on the chemical advisory committee of the Army & Navy Munitions Board and on the Chemical Warfare Service Advisory Board.

economic competition." They see expansion of interstate gas pipelines as taking a thick slice off coal freight revenues. Decline in coal traffic is estimated at 25% if natural gas expansion is not checked.

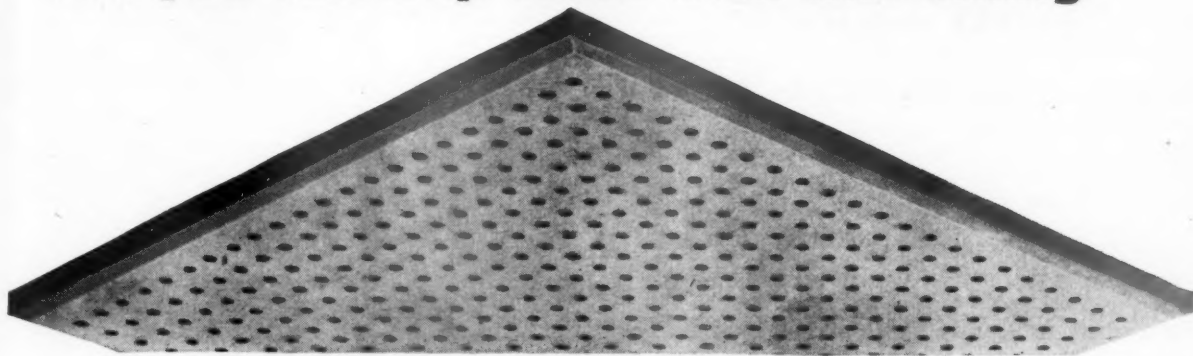
The coal-railroad strategy is to push for an FPC recommendation that Congress establish a policy that would restrict competition among the fuels, thus giving coal a better chance to compete with oil and natural gas for the industrial markets, especially for the boiler fuel market.

Spokesmen for the natural gas industry have taken a firm stand that open competition with coal, and not a planned fuel economy, is the only course to pursue. The industry believes that the continuation of its present battle with coal for new markets will lead to technological improvements in both industries which will increase business for both. Gas points to its own record of technical research and chides coal

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But you can trap them with this ceiling




It's Armstrong's Cushiontone

NERVES GET ON EDGE when your office is infested with noise demons. These disturbing pests are created by the banging machines, jangling bells, and raised voices you always find in busy offices. Noise demons are not only annoying; they're costly. They distract your staff, cause errors, cut efficiency.

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once and for all, with an economical ceiling of Armstrong's Cushiontone*. The 484 holes in each 12" square of this fibrous material absorb up to 75% of all noise striking the ceiling. In addition, a ceiling of Cushiontone is an excellent reflector of light.

It can be easily cleaned or painted many times without affecting its acoustical efficiency.

Free Booklet, "How to Exterminate Office Noise Demons," gives all the facts. Write for your copy to Armstrong Cork Company, 3008 Stevens Street, Lancaster, Penna. 

* Reg. U. S. Pat. Off.

MADE BY THE MAKERS OF ARMSTRONG'S LINOLEUM AND ASPHALT TILE



Chemicals for Cleanliness



In Hercules Land are found many of the chemical materials that help soap and disinfectant manufacturers to produce better, more economical aids to cleanliness and health.

Hercules Land is the source of pure terpenes, bases for highly effective, fragrant disinfectants. These terpenes serve as wetting agents in soap, extenders for soap, in commercial laundering, and in perfume bases. Hercules rosins and rosin derivatives are used in soap making and as emulsifiers in industrial cleaning compounds and household cleaners.



If you make soaps or disinfectants, it will pay you to know more about Hercules. The new 40-page book, "Hercules Products", describes the many chemical materials for industrial uses.

HERCULES POWDER COMPANY
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HERCULES

CHEMICAL MATERIALS FOR INDUSTRY

for its skimpy budgets for research to increase coal use.

• **Rebuttal**—Denying any need for conservation of the gas supply, the industry argues that:

(1) Proven reserves of natural gas, estimated at 144 trillion cu. ft., will probably be increased by discovery of new fields and extension of the limits of existing fields to something like 200 trillion cu. ft., a 50-year supply.

(2) Natural gas is not an "irreplaceable" resource and should not be so regarded either technically or economically. Research into the development of high heat-value synthetic gas from coal indicates that manufacture of synthetic gas will be a commercial actuality within ten years. Coal reserves available for gas synthesis (low-grade coal is the most desirable for the process) are sufficient for a 2,000-year gas supply. And the process would also, as byproduct, produce a 1,350-year supply of synthetic petroleum.

(3) The development of atomic energy for industrial purposes is now a very real possibility "with potentialities which dwarf the resources of present fuels."

• **Missing Link**—If its past record is any criterion, however, FPC is not likely to pass up any opportunity that would increase its authority over interstate natural gas pipelines.

The missing link in FPC's jurisdiction over gas is authority to control direct sales from interstate pipelines to industrial customers. It has made several efforts to control such sales through indirection, as by blocking the attempt of Panhandle Eastern Pipe Line Co. to sell natural gas directly to Ford (BW—Mar. 30 '46, p18).

FPC has indicated, in its flank attacks, that it wants a voice in direct industrial sales in order to protect the gas supply of domestic, commercial, and industrial customers served by local distribution companies with gas purchased from interstate pipelines at rates under FPC jurisdiction.

• **Outlook**—The FPC theory is that interstate lines might oversell line capacity to direct industrial customers. The industry scoffs, pointing out that most large direct industrial sales are on an "interruptible" basis and are the first to be taken off the line.

Jurisdiction over direct industrial sales would give FPC control over the disposition of every cubic foot of gas from an interstate pipeline and thus enable the agency to dictate to whom and at what price gas should be sold.

Most observers believe that FPC will recommend that it be given such authority—at least until equally desirable fuels from coal gasification or atomic energy are proven commercially and the spectre of a gas shortage disappears.

Another BAWI

Louisiana proposes plan to attract heavy industry, airline operations to state. Ten-year tax exemption is likely.

Moving to bring more heavy industry into the state, the governor of Louisiana has approved three legislative measures which will be submitted to the electorate as constitutional amendments in November. The proposals are: (1) a ten-year tax exemption on new industries; (2) a similar exemption on certain new airline operations; (3) a community factory-building program similar to Mississippi's BAWI (BW—Jan. 5 '46, p66).

• **Effective in December**—The state's Dept. of Commerce & Industry, which sponsored the amendments, predicts almost certain passage. If O.K.'d in the general election, the amendments will be effective Dec. 10.

Louisiana's last exemption on taxation of new plants expired in 1941. The new measure contains a clause that no tax contracts may be closed with "any

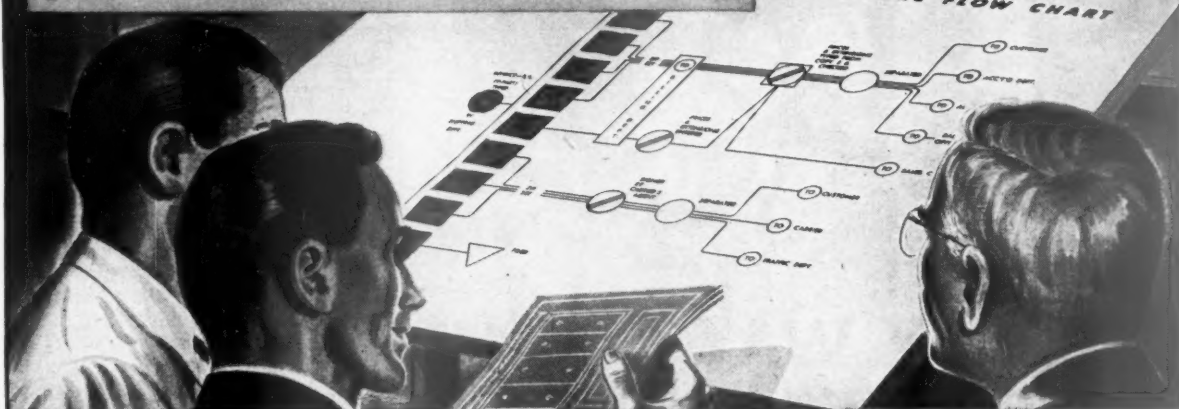


TREE TREES DOG

Literally out on a limb, an unhappy dog hovers over the Bogota racetrack in Colombia during a demonstration of freight and livestock delivery by parachute. The drop—deliberately aimed at the trees to miss the crowd—was sponsored by ex-paratrooper Capt. Fred Cole, export manager of New York's General Textile Mills which makes "cargo" parachutes.

**A 2 1/2-mile furniture
production line can't slow up for
cumbersome record systems. It doesn't
...at The Mengel Company**

Mengel executives realized that a modern production line can move no faster than the written records that control it. They called in Standard Register. Studies, recommendations were made. Example of time and money savings effected: Three operations (notice of shipment, bill of lading and invoice) were combined into one, with a 40 to 60% time saving.



**Experience-proved: Standard Register's exclusive
methods save most where record systems cost most**

HOW CAN STANDARD REGISTER'S techniques uncover sources of savings that escape the usual office or systems study? The kind of savings that run into four, five, sometimes even six figures?

The answer is in Standard Register's entirely *different* approach and methods. Through a tested, step-by-step *procedure* (including analytical flow-charting of your present record system), Standard Register brings hidden waste into the open. Work making form design is discovered—corrected. So are time-wasting methods of writing and using forms.




Each of Standard Register's scientific, experience-proved steps plays its part in effecting savings where paperwork savings count most... in the cost of completed records and through better over-all management control.

★ ★ ★

Get additional facts about the Standard Register business systems (and the Formcraft-designed Kant-Slip forms which make them operate). Learn how they are

effecting substantial savings for many a company like your own. Write. Ask a Standard representative to call. There is no obligation.

PROBLEM: FIND THE AREA WHERE SAVINGS COUNT MOST

-  **Cost of printed forms:** Savings as high as 10% in this area (because of difference in quality of paper, carbon, etc.) are relatively small. A few hundred dollars at most.
-  **Cost of completed records:** A 10% saving in the cost-of writing, handling and using forms is 10 to 50 times greater, often runs into four figures.
-  **Cost of the business operation,** controlled by written systems: In this area, savings may multiply themselves into almost incalculable figures—through better management control.

THE STANDARD REGISTER COMPANY

Manufacturers of Record Systems of Control for Business and Industry
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Pacific Coast: Sunset McKee-Standard Register Sales Co., Oakland 6, California. Canada: R. L. Crain Limited, Ottawa. London: W. H. Smith & Son, Ltd.



The EASY WAY to open a new frontier

THERE's an unexplored market on the horizon . . . a vast land of consumers eager to buy products containing DDT! And scores of manufacturers are anxious to get a share of the new market—with products that rely on DDT as a sales feature. But to be successful, a DDT preparation must be precisely formulated!

For this reason, Du Pont offers assistance to organizations planning the development of *better* DDT products . . . products the public can trust! The manufacturer who sees a place for DDT in his product can draw upon the wealth of

knowledge gained from Du Pont's laboratory and field research.

And Du Pont can supply Technical Grade DDT that's uniformly dependable because of the way it is manufactured. It works well in either dry or liquid formulations and dissolves quickly, forming clear solutions.

If you have a DDT idea—whether for insecticides or new type product—work it out with Du Pont.

E. I. du Pont de Nemours & Co. (Inc.), Grasselli Chemicals Department, Wilmington 98, Delaware.

**If it has to do with DDT,
work it out with DU PONT**



BETTER THINGS FOR BETTER LIVING...THROUGH CHEMISTRY

new manufacturing establishment in any locality where there is an establishment already engaged in manufacture of the same or closely competitive articles' without written consent of the original manufacturer.

• **Not Automatic**—Since the measure does not define "locality," an attorney general's ruling may be necessary. The Dept. of Commerce & Industry believes that it can iron out the ambiguity by considering each case on its merits.

The tax exemption is not given automatically to operators of new plants; first the owner and the state must sign a contract. Nor is it automatic for the full ten years. The amendment provides for a five-year exemption—with a 90-day "option" for another five. Additions to existing plants are within the scope of the exemption.

• **Lure for Industry**—The proposed aircraft exemption amendment provides a ten-year holiday from ad valorem taxes for all aircraft based or operating in the state, together with hangars, machine shops, and servicing equipment.

The "Balance Agriculture With Industry" amendment provides for a set-up much like Mississippi's successful program to attract industry. As in Mississippi, parishes (counties) and civic corporations will be empowered to build new factories. Mississippi specifies that they be built by bond issue. Louisiana would let the community do it by bond issue, taxation, or borrowing against future revenues.

TIDELANDS LEFT TO COURT

The question of whether the federal government or the states own the tidelands and their valuable oil deposits remained just as submerged as the disputed properties last week when President Truman vetoed the quitclaim bill adopted by Congress, and the House failed to override the veto.

Thus the outcome hinges on a Justice Dept. suit to acquire title to California tidelands, scheduled for argument before the Supreme Court this fall—or upon action by a future Congress. The President vetoed on the ground that this was a question for Supreme Court determination.

The chronology of the tidelands issue is replete with political machinations and even a bit of oily linen washing.

Shortly after assuming the Presidency, Truman approved filing of the Justice Dept.'s suit. Affected states, led by California's attorney general, Robert Kenny, countered by pushing a bill renouncing federal claim to the disputed lands. Then the President proclaimed federal ownership, placed the underseas resources under control of the Interior Dept.

The issue became involved in the



FOR MEN AND CARGO

A new errand boy at Newark Airport, N. J., is a trailer combined with an Indian motorcycle, which Air Freight, Inc., employs for quick pickup and delivery around the field. The 900-lb. trailer carries a ton load, accommodates ten people. Retailing at about \$500, it is sold exclusively by Peters Bros., 609 Hart St., Brooklyn.

nomination of Edwin W. Pauley as Under Secretary of the Navy, when Secretary of Interior Ickes accused Pauley of trying to stop the tidelands suit (BW-Feb.16'46,p17). Truman stuck by Pauley; Ickes resigned; then Pauley withdrew. Both houses passed the bill in the closing rush—a futile gesture in view of the veto.

CORN TASSELS FOR FEED

A new source of feed, high in both vitamin and protein content, is available in the corn tassels now cut off and discarded by producers of hybrid corn seed (BW-Jan.11'41,p28), according to findings of the Northern Regional Research Laboratory of the Agriculture Dept.

In the process of raising hybrid seed, about 75% of the plants have to be detasseled to insure proper pollination. Technicians found that these tassels, when dried to a 10% moisture content, have twelve times the vitamin A potency of corn kernels, eight times the vitamin B₂ potency, twice the vitamin B₁ potency, and three times the niacin and pantothenic acid potency; also that its protein level in some instances reached 18.5%, whereas hybrid corn kernels contain about 10.5% protein.

Estimating that 360,000 to 400,000 acres are devoted to hybrid corn seed production this year, the laboratory investigators figured that the tassels represent some 50,000 tons of feed, worth \$1,500,000.



Business Forms for example

Clean, crisp, sparkling paper for your forms and letterheads! It's an incentive to good work and an invitation to careful reading. Ask your printer to show you Hamilton Bond in snowy white and a choice of contrasting colors. See for yourself what this fine paper does for your letterheads, invoices, and business forms of all kinds. Hamilton Bond is a "good paper for good business."

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AVIATION

Airport Proposal

Port Authority outlines \$76 million development for Newark air and marine facilities. Thirty-year bonds suggested.

The Port of New York Authority is considering going into the airport business. Specifically, it proposes to take over, improve, and operate the Newark Airport, which for many years was the sole Greater New York airport, until La Guardia Field was built.

The authority is a bi-state agency, set up by the legislatures of New York and New Jersey to assist in the development of facilities of the New York City port area, regardless of state lines. At present it operates the Holland and Lincoln tunnels, the George Washington Bridge, a big grain terminal in Brooklyn, and other civic projects.

• **Would Spend \$76,400,000**—Last December, the city of Newark, which lies entirely within the port area as defined in the bi-state compact, asked the port authority to make a detailed study of the engineering and economic problems involved in the future development of Newark Airport.

The authority's report was submitted to the Newark city commissioners last

week. It proposes a \$76,400,000 development of the city's airport and seaport by the authority, on a self-supporting basis, to be financed by 30-year authority bonds. Of this sum, \$5,000,000 would be paid to the city for outright possession of the existing facilities, \$55,000,000 for airport construction, \$11,100,000 for rehabilitation and development of the seaport area, and \$5,300,000 for interest and administrative overhead during the five-year construction period.

• **May Triple Capacity**—The plan calls for complete reconstruction of the airport. The new field would have six runways ranging in length from 6,400 ft. to 9,000 ft., capable of handling a peak-hour capacity of 120 planes, about three times present capacity. The 76-acre terminal area would have at least 40 plane-loading positions, a terminal building, and a mile-long circular plane-loading arcade. It would be connected with the state highway by an underpass under one of the runways.

Two days after the authority announced its expansion plans for Newark, Mayor William O'Dwyer of New York City proposed to the authority that it submit a proposal for the financing, construction, rehabilitation, and operation of La Guardia and Idlewild airports.

• **Traffic Load Forecast**—The authority believes that the airport facilities of



CHALLENGER ON A SALES JUNKET

A Bristol Freighter, product of Bristol Aeroplane Co., England, explores new skies—and new business possibilities—as it completes the first leg of a 22,000-mi. demonstration junket over Canada and the U. S. The two-engined monoplane landed in Montreal this week after a cross-ocean hop by way of Iceland, Greenland, and Newfoundland for a coast-to-coast tour covering the chief cities along the route to exhibit its cargo carrying facilities. Adapted to short and medium hauls, it carries a payload of 9,270 lb. 1,000 mi. at about 155 m.p.h.

How Basic Research promises you more food of finer quality

FROM the endless search of the scientist for new and better ways to serve mankind, significant progress is being made in the production of more food of finer quality. Food that is more delicious and appetizing and richer in nutritional values.

Certain essential minerals such as Potash and Phosphate are widely used to promote large yields of quality crops. These minerals, generously provided by nature, are mined and refined by processes developed by many years of engineering research.

Science now knows that in growing healthy crops these same minerals also produce factors in our food which are essential to a well-balanced, nutritious human diet. They are available to you in grains, vegetables and fruit grown on mineral-enriched soils and in the meat of animals nourished

on mineral-enriched soils.

Extensive research with these minerals has developed new processes to expand production. New techniques in their use now make it possible to improve the quality and value of our food crops.

International is building new mines and manufacturing plants, using the skills developed by engineering research to provide more of the essential ingredients which are continually enhancing the quality of our food—an achievement of vital importance to the pleasure and health of our people today and in the years to come.

International Minerals & Chemical Corporation, General Offices: 20 North Wacker Drive, Chicago 6.



INTERNATIONAL MINERALS AND CHEMICALS serve you in many ways through industry and agriculture: POTASH and PHOSPHATE for industrial chemicals and fertilizers. HIGH-ANALYSIS PLANT FOODS for larger yields of quality crops. CHEMICALS: Potassium Chlorate, Silica Gel, Epsom Salt, Defluorinated Phosphate, Sodium Silico-Fluoride, Sulphuric Acid. AMINO PRODUCTS for the food and pharmaceutical industries: Mono Sodium Glutamate for finer tasting foods, Glutamic Acid, Glutamic Acid Hydrochloride, Betaine, Betaine Hydrochloride.



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SOUND DECISIONS cannot be made without action-facts. With these facts, business progresses; without them it is handicapped. That's why over 7000 leading companies depend upon *Produc-Trol* for up-to-the-minute information on order scheduling, machine loads, inventory, sales and other important functions.

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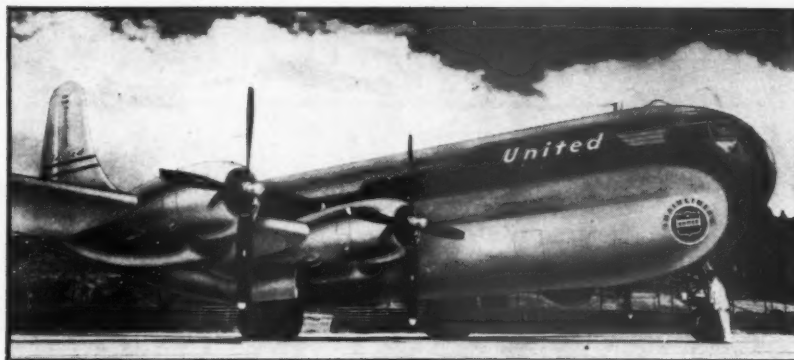


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• The process of achieving tangible results from work.



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PICTURES FACTS FOR ACTION



MAINLY FOR THE ISLAND TRADE

That Boeing Aircraft has tucked another sizable order (BW—Mar.23'46,p38) under its belt came to light this week when United Air Lines announced it has ordered seven double-deck Stratocruisers (above)—chiefly for its newly authorized run to Hawaii. Delivery on the \$11,000,000 order is expected to begin in late 1947. United's Stratocruisers will carry 55 passengers plus 8,000 lb. of baggage and cargo, have dressing rooms, a galley, and a "bedroom" cabin in the upper deck, a lounge in the lower. On night flights there will be berth accommodations for 18 passengers, seats for 20 more.

New York City and northern New Jersey will prove utterly inadequate within the next ten years. It estimates that more than 4,000,000 people will enter or leave the area by domestic airlines this year, and that this figure will rise to about 17,000,000 in 1950, to 26,500,000 in 1955, and to 32,000,000 in 1960. The present facilities at Newark and La Guardia plus full proposed capacity at Idlewild will meet the demand only until 1955, the authority says, and not even that unless they are all limited to scheduled domestic air passenger traffic.

Another point cited by the authority in support of its proposal is a survey recently completed by one of the major airlines showing that almost 50% of the air passengers entering or leaving the area were moving to or from points in northern New Jersey or the west side of Manhattan, points which can be reached more quickly from Newark airport than from either of the New York City fields.

Newark's official reaction is not expected until next month at the earliest. Newspaper opinion in the northern New Jersey area has been unanimously favorable, however, as has editorial comment of New York newspapers on Mayor O'Dwyer's proposal.

AIR CARRIER TO ORIENT

The Civil Aeronautics Board last week approved the petition of Northwest Airlines for a new route to the Orient via Alaska (BW—Sep.8'45,p22).

Northwest, which became a transcontinental line only 14 months ago, was

authorized to fly from Minneapolis-St. Paul and from Seattle over the great circle route to Anchorage (Alaska), thence to Tokyo, Shanghai, and Manila.

CAB authorized P.A.A. to extend its central Pacific route to Tokyo, Shanghai, and Hong Kong; from Manila to Saigon, Singapore, and Batavia; from Hong Kong to Calcutta; and from New Caledonia to Sydney (Australia).

Safety in Air

Constellations, grounded after crash, may be the first to meet new specifications worked out to reduce fire hazards.

Far from being the "goat" among airliners as a result of its recent grounding (BW—Jul.20'46,p17), Lockheed Aircraft Corp.'s big Constellation plane may emerge as the pacemaker among transport craft so far as precautionary measures against fire in the air are concerned.

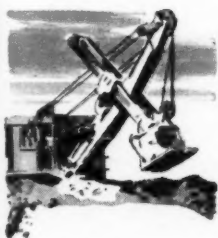
Its certificate of airworthiness temporarily suspended following a crash at Reading, Pa., on July 11, the "Connie" will take to the air again within the next few weeks, embodying modifications recommended by Lockheed, the airlines, the Civil Aeronautics Administration, and Wright Aeronautical Corp., aircraft engine builder.

• **New Specifications**—These modifications, announced last week, are expected to set the pattern for proposed new

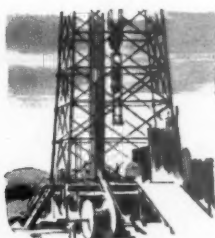
Your New Car is Coming...

How Wire Rope Contributes to it

Automobile factories are working hard to get your new car to you as soon as possible. They use many cranes and hoists which depend on wire rope to transmit power to moving parts. Much of this wire rope is Preformed—because Preformed is more flexible and runs over small sheaves with minimum wear. This means it lasts longer. Preformed wire rope also resists kinking or twisting and so helps speed production.



Building of new roads over which you'll drive your new car is also speeded by using Preformed wire rope on shovels, bulldozers, scrapers, graders and concrete mixers. This modern wire rope spools evenly, reduces shut-downs for replacements.



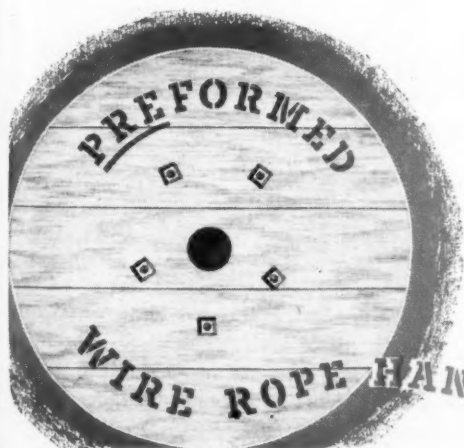
Oil that will run and lubricate your new car comes from fields where equipment rigged with Preformed wire rope is at work. Drillers like Preformed because it resists whipping, spools better on the drum. It also makes faster round trips.



Preformed wire rope contributes to speeding production of your new car . . . building roads . . . drilling oil. Men in many industries which require a wire rope that must stand up under severe service specify Preformed. In fact, companies which change to Preformed find that its exclusive built-in features pay big dividends in time, money and efficiency. Preformed is the modern wire rope for modern machines.

Send for an interesting new free booklet, "PREFORMED WIRE ROPE—WHAT IT IS—WHAT IT DOES." Write the Preformed Wire Rope Information Bureau, 520 North Michigan Avenue, Chicago 11, Illinois, or

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fire-prevention and fire-fighting regulations now being worked out by the safety bureau of the Civil Aeronautics Board and the aviation industry—regulations that will affect all aircraft now used on the nation's airways. Thus the Connie is likely to be the first aircraft to meet the new specifications.

Principal changes ordered for the Constellation are: additional fire extinguisher protection in the rear section of the powerplant installation; improved exhaust collector rings; replacement of bulkhead electrical connectors with a redesigned assembly, and of aluminum conductors in generator circuits with copper cables; insulation of circuit breakers to prevent shorting, or their replacement with copper fuses; plus redesign of certain items in the electrical and hydraulic systems.

The modifications will be made in the shops of the airlines.

• **Blinded by Smoke**—The Reading crash, investigation disclosed, was caused when pilots became blinded by smoke produced when a short circuit set oil-soaked sound proofing material in the plane smoldering.

Result of the accompanying investigation is expected to be a new higher level of safety for planes.

PEACE FOR PANAGRA

Threat of outside competition has forced Pan American Airways and W. R. Grace & Co. to end a long-smoldering feud within their jointly owned (50-50) corporation, Pan American-Grace Airways, Inc. (Panagra).

Pan American flies the east-coast route from the U. S. to Buenos Aires, recently inaugurated a 38-hr. schedule originating in New York instead of Miami (BW—Jul.20'46,p108). Panagra, the joint company, flies to B. A. from the Canal Zone along the west coast of South America.

Pan Am has frowned on a Panagra connection to Miami or New Orleans as competitive with its eastern route.

Earlier this year, when Grace & Co. applied on its own for certification to Miami for Panagra, the Civil Aeronautics Board turned thumbs down, implied that if Pan Am and Grace buried the hatchet and applied jointly, the route would be authorized.

Currently a half-dozen U. S. operators, some Latin American lines, and a couple of European competitors are begging for routes to and from U. S. and South American destinations. CAB is sure to grant some certificates.

Reading these signs, Pan Am and Grace signed an agreement this week under which Pan Am will charter Panagra planes and crews to fly to Miami from the Canal Zone. Flights will begin immediately following the expected CAB approval.

PRODUCTION

Jigs Outmoded

Automatic work locator, using hydraulic principles, cuts machine-shop time on precision drilling, tapping, and boring.

Precision drilling, tapping, reaming, and boring of holes in metal, without jigs, and attendant savings up to 20% in production time and consequent reductions in cost, are reported possible with a new hydraulically actuated device which automatically locates the work in preselected positions under a fixed tool.

The Bullard Co. of Bridgeport, Conn., has been working on the device (called the Man-Au-Trol Spacer) for some time. In announcing the product, the company points out that use of it at Bullard's own plant on machine-tool work will permit scrapping of \$500,000 worth of drill jigs and special tools.

• **Hydraulics Used**—The spacer consists of a heavy flat table, which is moved by hydraulic power either laterally or longitudinally on its base under an accu-

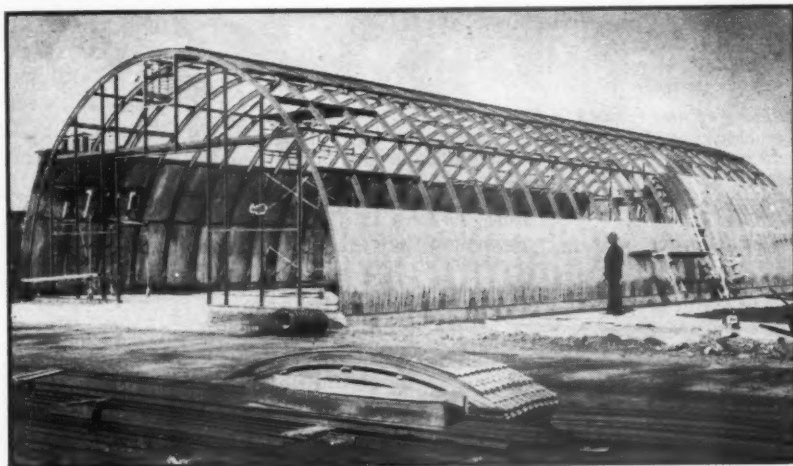
rate drill spindle fixed rigidly in one position. With the work clamped in place on the table, the spacer is traversed from one predetermined position to another by two selector controls—one for lateral, the other for longitudinal positioning.

Operator setting of the selector dial determines which one of a number of cylinders receives the hydraulic pressure. A piston in the cylinder reacts to the thrust of the pressure, moving the table. Motion continues until the piston reaches a positive stop. The position of this stop is selected through previous screw adjustment. Once the stops have been set, the work-carrying table returns to them with extreme accuracy.

There is one hydraulic cylinder for each longitudinal and transverse motion. Force from a balanced master cylinder, working in conjunction with the force of any active cylinder, provides rapid, smooth motion from one location to another and locks the table against its stop.

Hydraulic power is provided by a self-contained pump operated by a constant speed motor, the only electrical equipment required.

• **Production Savings**—Possible economies with the device are exemplified



PREFABS TO THE AID OF INDUSTRY

The Quonset hut, already pressed into service to ease the housing pinch, has a new job: to beat an acute industrial storage shortage. Nearing completion at Milwaukee is the first (above) of two new Quonsets purchased for this purpose by Blackhawk Mfg. Co., which ascribed the pinch to stepped-up production, the need to accept materials whenever they are available—regardless of inventory—and occasional shipping holdups at the plant. Blackhawk chose Quonsets because Wisconsin Steel Framing Co., the distributor for Stran-Steel, which makes them—and which, incidentally, foresaw the use of Quonset huts by industry (BW—Oct.6'45,p19)—could make delivery without any delay. Price for a 40x100 ft. unit, erected and insulated: \$8,000.

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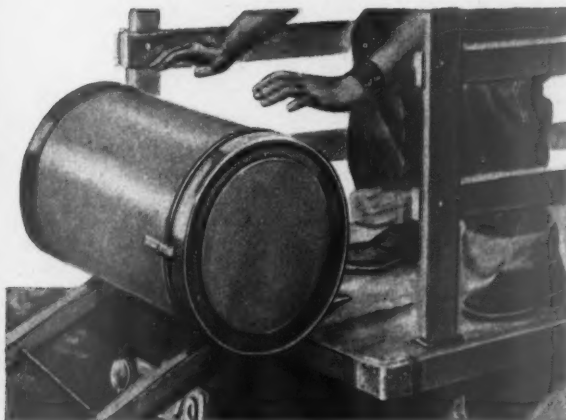
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***Cans for easy-flowing paint . . . And caps for soda pops**



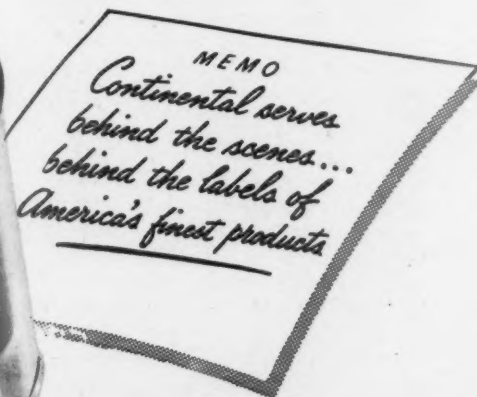
Parts of plastic for machines . . . And drums with sift-proof tops

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Roxbury, Massachusetts • Mono Containers, Newark, New Jersey —Plastics Division, Cambridge, Ohio • Bond Crown & Cork Company, Wilmington, Delaware • Cameron Can Machinery Company, Chicago, Illinois. **FOREIGN SUBSIDIARIES:** Continental Can Company of Canada, Limited, Sun Life Building, Montreal, Canada • Continental Can Corporation, Havana, Cuba



The "Miler" that's running a

DO you face a long-time job involving the transport of millions of tons of coal, ore, rock, gravel or other bulk material? Then listen to the odyssey of the world's longest conveyor belt — the first of Goodyear's famed "rubber railroads" that has already successfully handled *two* such jobs!

It begins at Grand Coulee Dam, back in 1938. Engineers were skeptical when the G.T.M. — Goodyear Technical Man — proposed carrying 2,000 tons of rock per hour from quarry to dam site, a distance of

one mile, on a single flight of 48-inch-wide belt. That meant a continuous loop of belting almost two miles in circumference, operating on pulley centers 4,835 feet apart. Such a long belt was unheard of, but the G.T.M. said it was practical.

Time proved he was right. When Grand Coulee was completed three years later, this giant Goodyear belt had delivered 12,000,000 tons of aggregate. And it showed so little wear, its owners looked around for another job for it.

They found it at their big cement works at Permanente, California, where a new limestone quarry was being opened nearly a mile beyond the existing conveyor line. So in 1941 the "miler" was shipped down and installed on centers of 4,100 feet — still the world's longest single belt!

A repeat performance!

Today this tireless carrier has freighted an additional 3,500,000 tons of rock — a total of 15,500,000 tons since first going to work! Yet it is still in excellent condition, good for years more work. Such

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record-breaking eight-year performance attests the sterling worth of Goodyear conveyor belt construction, sinewed with extra strength and toughness to carry high-tonnage, abrasive loads, and armored against mildew, time and weather.

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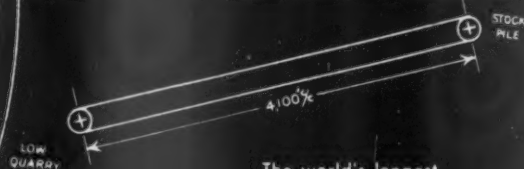
You will find this same superlative wear characteristic of all Goodyear Industrial Products, from the smallest package conveyors to the largest dredging hose. To get G.T.M. advice on your job, write: Goodyear, Akron 16, Ohio or Los Angeles 54, California.

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PLASTICS...FOR THE CREAM IN YOUR COFFEE

THE HEART of a cream separator, which works by centrifugal force, is a set of 23 or more whirling discs. They must be odorless... tasteless... easy to remove and clean.

The problem of making cream separator discs out of plastics—the first ever used—was solved by General Electric's complete plastics service for the Galloway Co., Inc., Waterloo, Iowa.

Laminating and molding gives the plastic disc the required mechanical strength, a high finish, and above all, a shape that can't be distorted to cause vibration in the cream separator. And plastics, of course, give important chemical resistance to lactic acid and the corrosive cleaning solutions used by dairymen with such frequency.

Perhaps you, too, could use the chemical resistance of a plastic part to good advantage in your product. Bring this, or any other plastics problem, to General Electric—the world's largest manufacturer of finished plastics products. Write

to the Plastics Divisions, Chemical Department, General Electric Co., 1 Plastics Avenue, Pittsfield, Mass. Ask for the new illustrated booklet, "What Are Plastics?"

G-E Complete Service—Everything in Plastics

Backed by 52 years of experience. We've been designing and manufacturing plastics products ever since 1894. G-E Research works continually to develop new materials, new processes, new applications.

No. 1 Plastics Avenue!—complete plastics service—engineering, design and mold-making. Our own industrial designers and engineers, working together, create plastics parts that are both scientifically sound and good-looking. Our own toolrooms are manned by skilled craftsmen—average precision mold experience, 12 years.

All types of plastics. Facilities for compression, injection, transfer and cold molding... for both high and low pressure laminating... for fabricating. And General Electric Quality Control—a byword in industry—means as many as 160 inspections and analyses for a single plastic part.



GENERAL ELECTRIC

General Electric plastics factories are located in Fort Wayne, Ind., Meriden, Conn., Scranton, Pa., Taunton, West Lynn, and Pittsfield, Mass.

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in drilling, reaming, counterboring, and tapping operations on Bullard machine-tool parts. One lot of 74 pieces customarily required more than 70 hours for drilling, using a jig. The spacer saved better than ten hours. The jig, now scrapped, cost almost \$350 to fabricate. Another piece, put through in a lot of 134, would ordinarily have required 20 hours. With the spacer four hours were saved and the cost of producing the jig—\$75—was eliminated. Setup times were included in calculating the results of all tests.

Bullard engineers attribute these savings to a number of measurable causes. It is difficult, for example, to maneuver the spindle of a radial drill accurately over a hole previously drilled. As a result, the operator customarily changes tools to complete all work on a hole while the spindle is in place. However, the spacer moves the work to a great number of predetermined positions with precision, and the operator uses one drill, for instance, until all its work is done before changing to a tap or other tool required to finish the operation.

In applications where the new device replaces drill jigs, the cost of designing and fabricating them will be eliminated. Similarly, there will be no problem of jig storage, inventory, inspection, and maintenance, or of delays to production while a jig is being manufactured. Again, there will be no time loss while a jig is brought from stores, nor will there be transporting cost.

• **Reduces Fatigue**—Numerous other advantages are claimed. Setting of standard times for figuring costs becomes more exact. In using a jig, considerable adjustment of the spindle is needed for correct alignment with the jig bushing. The operator accordingly changes tools, feeds, and speeds until all operations are done on one hole. Because the spacer will repeat its pattern, however, the operator may now use a drill, for example, until all its work has been done and then return to complete tapping.

Fatigue is claimed to be reduced to a minimum. The drill spindle remains fixed, the operator stands in one place, and the work moves past him. Handling and setting-up of jigs is eliminated.

First-piece inspection is all that is necessary, Bullard engineers report. Once a piece has been spotted with the drill and checked by the inspector, the Man-Au-Trol Spacer will duplicate that pattern.

• **Variety of Sizes**—Several months' experience has shown that where the Man-Au-Trol Spacer replaced jigs, there have been no instances of spacing errors greater than permissible tolerances. During its period of operation at the machine-tool plant, no part was ever scrapped because of error in spacing.

Huge Welder Ups Production 3,000%

A giant, multiple spot welder weighing more than 90,000 lb. is now in operation at Pullman-Standard Car Mfg. Co.'s Chicago plant. Built by the National Electric Welding Machine Co., the machine is being used for automatic welding of stiffeners to the interior of car sides. Its production potential is reported to be 3,000% greater than present processes.

Unique feature of the machine is an electric eye arrangement for controlling location of welds. Two rows of holes drilled along the sides of the movable bed activate the battery of electrodes. The holes are normally closed by small pins.

With a pin removed, in pre-setting the machine, light rays pass through to contact the photoelectric mechanism shown at right. An almost unlimited number of combinations



can be worked out, depending simply on which pins are removed from the holes.

Phase Microscope

New devices for standard instrument make possible the study of transparent objects by altering light contrasts.

Ordinary light microscopes can now be transformed into instruments that extend the range of human vision far beyond the previous limits of ordinary microscopy. New equipment added to a standard microscope permits observation and study of many living cells, tissues, microorganisms, and industrial materials so transparent that heretofore little or no detail could be seen in them. This advance in the use of the microscope is called phase microscopy and the converted instrument, a phase microscope.

The equipment consists of newly developed light-controlling diffraction plates. Placed in an objective lens system, the plates make detail visible within a specimen by increasing, reducing, or reversing light contrast in the image formed by the microscope.

• **Conversion**—A standard light microscope is transformed into a phase microscope by the addition of a diaphragm controlling the light concentrated on a specimen and a diffraction plate. An auxiliary telescope instead of the microscope eyepiece is used in centering the equipment.

Investigations have disclosed that diffraction plates should be varied for different kinds of investigations. Al-

though many materials are so transparent that nothing can be seen with regular microscope equipment, their internal structures usually do present differences in optical path which alter the phase of any light passing through them. The kind of material and size of the parts of the specimen produce the optical path differences.

• **Change of Light**—The diffraction plates change the light in such a way that detail in a specimen can be observed. The specimen is first illuminated by a hollow cone of light and a diffraction plate is inserted within the microscope objective. Depending on the kind of diffraction plates used, any regions within the specimen of different optical path can be made bright on a dark background, or dark on a light background. The invisible phase differences of the light are converted into illumination differences to which the eye is sensitive.

In reverse order, regions within certain substances can be made invisible, facilitating the discovery of impurities.

Phase microscopy was investigated in Europe prior to the war, particularly by Zernike, a Dutch scientist. American Optical Co.'s Scientific Instrument Division inaugurated research in 1941.

• **Possibilities**—The phase microscope makes possible an accurate study of transparent living organisms. Formerly, it was usually necessary to stain the organisms with dyes, a procedure that kills most of them. As a result, information gained in the past with the microscope was usually limited to the study of dead rather than living matter.

The new phase microscope may be



The Graybar Organization Has STOPPED Time Consumed Running Around, By Recommending Teletalk

"Teletalk" intercommunication systems are time savers. Without leaving a desk, one can talk—person to person—to a large number of individuals, without going from department to department seeking information.

Natural tone—convenient size—smart appearance—and quality construction make "Teletalk" a stand-out. A number of models are available to meet requirements of large or small businesses.

The Graybar organization has successfully recommended "Teletalk" as a time saver to thousands of businesses. This experience, gained over a period of years, helping others to improve their business efficiency, is available to you. Contact the nearest Graybar branch as listed in the classified section of your telephone directory, or write direct to the address given below.

GRAYBAR ELECTRIC COMPANY, INC.
Graybar Building, New York City



useful in the study of plant and animal life; parasites; emulsions; metal, glass, and plastic transparent surfaces; minerals, crystals, synthetic fibers, and other materials.

In the field of biology, tiny chambers, constructed on microscope slides to imprison living organisms, can be utilized to supply nutrients and oxygen and to remove toxic excretions. Thus, the effect on the organisms of drugs, vitamins, and other agents can be investigated.

LIGHT-PLANE NAVIGATOR

Designed to simplify the navigation problem of the light-plane operator, a $\frac{3}{4}$ -lb. radio homing device has been developed by Donald M. Miller, radio supervisor at Parks Air College, St. Louis.

Named "Dela," the instrument enables a pilot to steer a course by tuning to commercial radio broadcasts. Miller has no plans for marketing Dela, but believes it could be retailed for \$35 or less, since it is made of standard radio parts.

Wired to the plane's radio, the $4\frac{1}{2} \times 2 \times 2$ -in. instrument rests atop the dashboard and maintains a green light when the pilot is on course, a flashing red light when he drifts off.

Operation is simple. The pilot merely tunes to a commercial station at his destination or on his planned course, rotates his loop antenna until a "null" (the point of minimum reception) is obtained. This indicates the loop is at a right angle to the ground station. The pilot adjusts his plane course accordingly, locks the antenna in the null position, and keeps flying on the green light.

Nonfogging Glass

Transparent coating, used to conduct an electric current over panel, keeps windshield free from icing or clouding.

Windshield icing and interior fogging are said to be eliminated by a new development in glass research. The idea, known as Nesa, involves use of a permanent transparent coating that successfully conducts electrical current over the glass panel.

William O. Lytle, research engineer of Pittsburgh Plate Glass' Creighton Research Laboratories, is credited with the development of Nesa.

• **War-Inspired**—Nesa-treated glass is attributed to extensive wartime research for development of a satisfactory glass for use on radar equipment and for covers for various types of electronic instruments and dials.

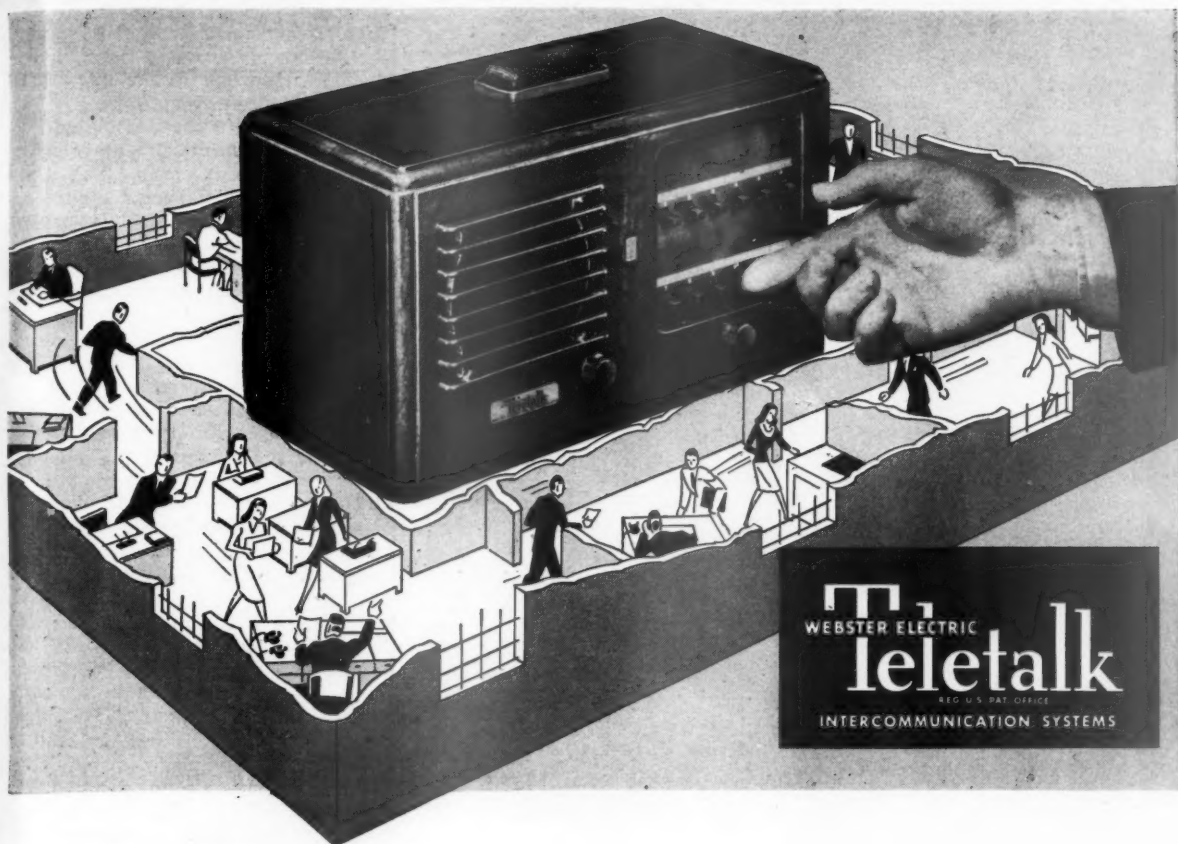
When untreated glass was used, static electricity would collect on the surface and cause deflection of the registering mechanisms of the instruments. A transparent coating was developed during the war years to "drain" the static electricity from the glass instrument panels and covers.

The Nesa coating is an extended application of this research. Once a permanent coating had been developed to drain static electricity from the glass, it was also possible to conduct electricity across the glass surface for heating.

• **Uniform Flow**—With the coating on the glass, the entire area of the panel can be heated by a uniform flow of electrical current across the glass sur-



Further evidence that man is doing something about the weather is Nesa, a development of Pittsburgh Plate Glass Co. Applied to a windshield (right) during "cold box" tests, the current conductive coating prevented icing.



WEBSTER ELECTRIC
Teletalk
REG. U.S. PAT. OFFICE
INTERCOMMUNICATION SYSTEMS

You can **STOP** the time consumed "running around"!

The problem of accomplishing more work is helped by keeping at it. That's why "Teletalk" intercommunication systems have proved such an aid to getting jobs done. You can install a system at reasonable cost to reach key men, key departments or any part of the plant. You STOP the unnecessary waste of time running from department to department, or individual to individual, or waiting for them to come to you. Each individual in the system can communicate with the other by just flipping a key and speaking into the "Teletalk." Stations can be provided with ear

phones for complete privacy if desired.

The outstanding feature is the opportunity to better organize your work and get needed information—on the spot—without delay—with as much ease as though you had one or a dozen individuals working across the desk from you.

"Teletalk" intercommunication systems are inexpensive to operate, and you'll find that their convenience and time saved will pay for the cost within a reasonable length of time.

If you are loaded with work and trying to get more done, check the classified

section of your telephone book for the listing of your "Teletalk" distributor and let him suggest the correct "Teletalk" installation to use. If you do not find him listed, write Webster Electric Company, Racine, Wis., for full information.

*Check
your
Phone
Book*
→



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WEBSTER
RACINE

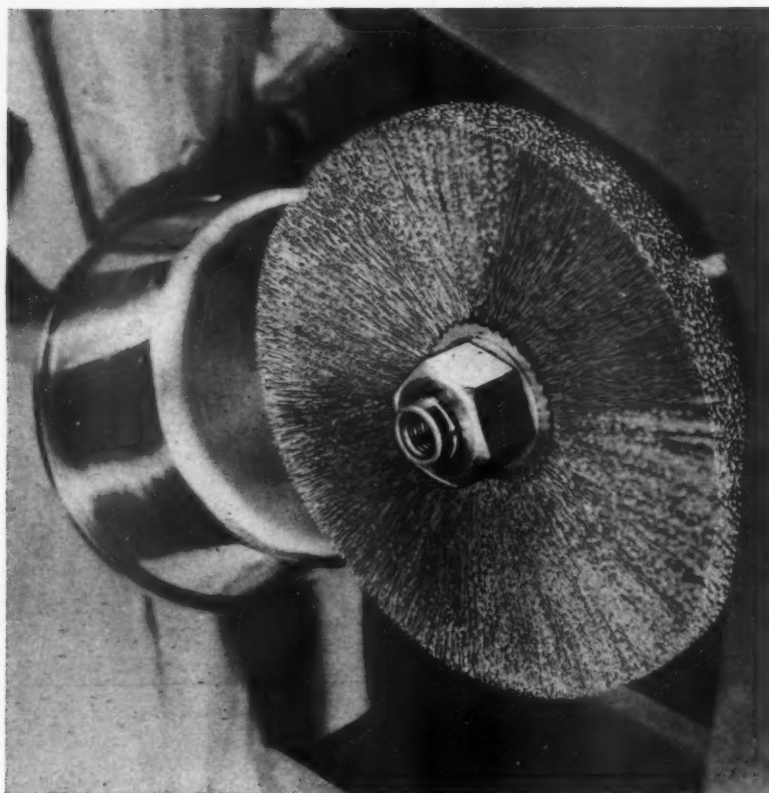


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ELECTRIC
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Export Dept. 13 E. 40th Street, New York (16), N. Y. Cable Address "ARLAB" New York City

"Where Quality is a Responsibility and Fair Dealing an Obligation"



IT ALL STARTS WITH S.A.*

No matter what you make, if you want it to be a best seller, you've got to give it *Sales Appeal.

One way to increase sales appeal, according to a leading manufacturer of aluminum kitchenware, is to give the product a final brush-up with Osborn Economy Wheels. These fast, flexible brushes produce a beautiful satin finish on flat and curved surfaces and, unlike other types of polish finishes which exaggerate minor surface flaws, these brushes completely and uniformly cover them. They add another sales plus, too: heat conductivity has been improved because the surface area has been increased.

No matter whether you make cooking pots or locomotives . . . no matter whether your product's made of aluminum, steel, plastic or other materials—brushing techniques as developed by Osborn can help you make your product better-looking, better-performing and better-selling.

Why not ask us how—now! Without obligation, of course:

New Booklet available! When and where to use power brushes and how to select them. Write for your copy today.

THE OSBORN MANUFACTURING COMPANY
5401 Hamilton Avenue Cleveland, Ohio



WORLD'S LARGEST MANUFACTURER OF BRUSHES FOR INDUSTRY

face, it is reported. Exhaustive tests fail to show distortion of vision, and no material reduction in the intensity of light transmission is apparent.

In addition to the de-icing and de-fogging characteristics, another advantage claimed for the treated glass is that it is actually strengthened against impact at low atmospheric temperatures.

• **In Desired Range**—When the Nesa-treated glass is subject to low temperatures, the electrical current passing over the glass coating will maintain the vinyl plastic interlayer within the recommended 80 F to 120 F range for most efficient impact resistance.

Electrical contact to the transparent coating is made through bus bars of silver paste at the edges of the glass area. When properly fired, the paste becomes metallic silver to which copper wires can be soldered.

PREMIUM OIL MARKETED

Standard Oil Co. of Indiana this week announced its entry into the "premium-plus" motor oil field with Permalube, a motor oil containing about 1% additives. Refined from a mid-continent crude, the lubricant was confined to military uses during the war years. When such additives as cresol and chlorine were released, they were in short supply. Next obstacle, likewise finally overcome, was a shortage of tin cans.

Permalube, in SAE viscosity grades 10 through 60, will retail for 35¢, above the company's premium Iso-Vis. Standard recognizes that the lubricant will encounter two sales resistances: (1) It cannot be used successfully in cars equipped with chemically active oil filters, because these adsorb the additives, and (2) in service the oil is expected to get dirty quicker than other oils because of its cleaning action.

P. S.

A research program on impression die forgings has been instituted by the Drop Forging Assn., in cooperation with Lessells & Anderson, Boston.

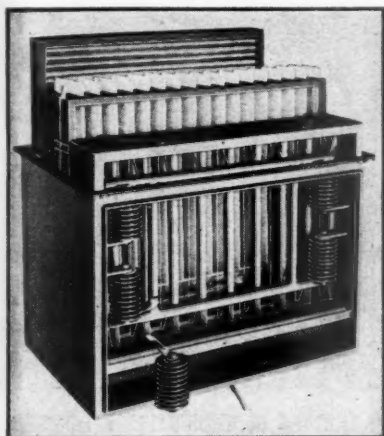
Glass is being assembled on flood-light reflectors by a spinning operation at General Electric. With special machines, the edge of the aluminum reflector is spun over the rim of the glass, holding it securely.

Great Britain will cooperate in packaging research with the United States under an agreement between the Packaging Institute, Inc., and the Printing & Allied Trades Research Assn., London. The British group through its packaging division maintains laboratories for technical studies on metal, glass, paper, and synthetics. The American institute conducts research through committees of both producers and users.

NEW PRODUCTS

Electronic Air Filter

The latest addition to new ultra-modern railroad cars is an air filter in which the collecting element is electrostatically charged paper. A development of the American Air Filter Co., Inc., of Louisville, it is known as the Electro-Airmat and is the result of experiments begun back in 1934 by the Army Air Forces' research laboratory. The Electro-Airmat is said to be capa-



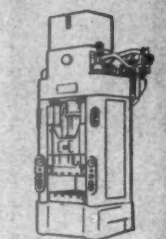
ble of removing particles as fine as tobacco smoke, 0.1 to 0.3 microns in size, from the air. Odors are removed by absorption into activated carbon or other absorptive material placed directly behind the installed unit.

The device operates on the same principle as other electrostatic precipitators; an electrically charged dust particle will be attracted to a charged electrode of opposite polarity. The high voltages required for both elements are obtained with a power conversion unit which operates on 115 volt, 60 cycle, single-phase current and consists primarily of a transformer and rectifier.

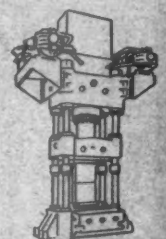
The ionizer element consists of vertical streamlined electrodes spaced approximately on 3-in. centers between which are suspended fine tungsten steel wires. The collector element consists of top and bottom sections of serrated design which support the paper in deep pleats to provide a greater filtering surface for a given face area.

Fly Electrocutor

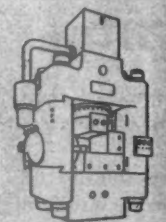
An electrified screen, available to fit standard window and door sizes, is announced by Detjen Corp., 303 W. 42nd St., New York 18. The screen consists of two sets of bars, supported in a metal frame. The bars, energized by a transformer operating at 10 milliamperes, set up an electrical field which serves as a



SHEET METAL DRAWING



FORGING

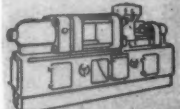


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INDUSTRY'S MOST MODERN MACHINE FOR *Pressure Processing*



DIE CASTING



PLASTICS MOLDING



RAYON STEEPING

Almost every item, regardless of its nature, requires the application of pressure in its manufacture. Products made from metals, plastics, rubber and ceramics are typical examples. In these and other industries, you will find H-P-M hydraulic presses.

Although H-P-M presses may have different form, depending upon their production service, the self-contained oil-hydraulic operating system for each press is basically the same. Each system incorporates pumps, valves and controls, which are designed and built by H-P-M for heavy duty service. This unity of origin of both press and operating system guarantees undivided responsibility to the user. Have you a pressure processing problem? Solve it with modern H-P-M hydraulics. Write today for H-P-M Bulletin 4500.

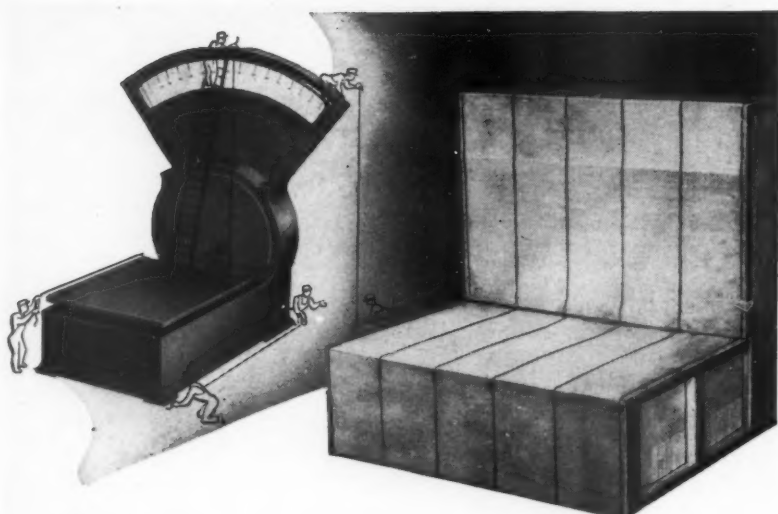
THE HYDRAULIC PRESS MFG. COMPANY
MOUNT GILEAD, OHIO, U. S. A.

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Hydraulic Presses
FOR THE METAL WORKING AND PROCESS INDUSTRIES

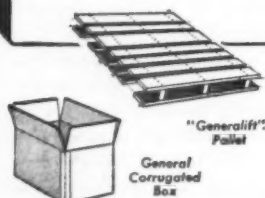
REVOLUTIONIZING PRODUCTION WITH HYDRAULICS SINCE 1877



Designed for Giving PERFECT PRODUCT PROTECTION

NEW "GENERALIFT" PALLETS

Millions of pallets were used by the armed forces. They saved from 50% to 90% in materials handling. We are now in full production of pallets for all industry. Our engineers will design a pallet best suited to your specific needs. Write today for Pallet Book.



NOTE: Shortage of timber products today is even more critical than during the war. This is due to adverse weather conditions, labor difficulties, pricing maladjustments, war-marking and priority of lumber for erection of homes for veterans, etc. For these reasons, we, like so many others, cannot guarantee production and shipment in terms of usual schedules.

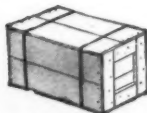
ENGINEERED SHIPPING CONTAINERS

General BOX COMPANY

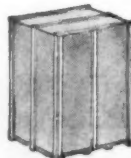
GENERAL OFFICES: 502 N. Dearborn St., Chicago 10, Ill.
DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Shoboygan, Winchendon, Continental Box Company, Inc., Houston, Dallas.



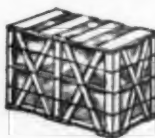
General All-Bound Box



General Nailed Box



General Cleated Corrugated Container



General Wirebound Crate

Wherever products are packed, there is a need for GENERAL-Engineered Shipping Containers.

They're designed specifically for the product . . . designed to faithfully follow the profile of the product. Special inner-packing, blocking and reinforcement provide added protection . . . prevent shifting and damage in transit.

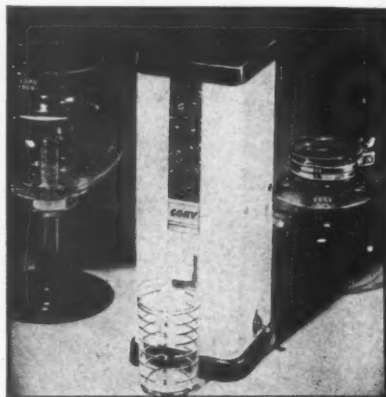
Let us tell you about GENERAL'S "Part of the Product" Plan. Learn how GENERAL Engineered Shipping Containers save materials and man-hours . . . conserve shipping space and speed production!

Our engineers will be glad to help you with your postwar packing problems. Write today for information.

barrier to insects. The moisture in the insects' bodies, it is said, causes the electric current to complete a circuit from one bar to the other. The device is said to use about 10¢ worth of current per month and to be harmless to humans and animals.

Electric Coffee Grinder

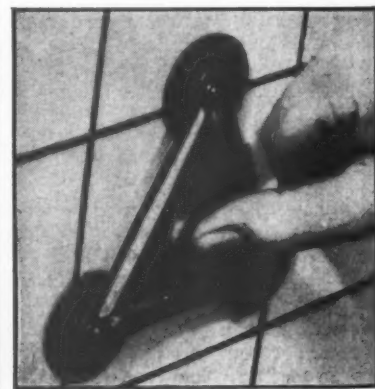
The new coffee grinder manufactured by Cory Corp., 220 No. LaSalle St., Chicago 1, operates on either a.c. or d.c. and is designed to fit snugly into a small space. Measurements are 4 in. in



width and depth and 11 in. in height. It is all metal, finished in white enamel. A glass, graduated to show the correct amounts of coffee for use in brewing from one to eight cups, is furnished as standard equipment with the grinder. The grinder has storage capacity for a full pound of whole bean coffee. When sold, the grinder will be set to give recommended grind for use in any standard glass coffee brewer. By adjustment, however, the unit will produce any type of grind desired.

Mounting Device

The Kitco mounting plate provides a method of firmly attaching cabinets or other appliances to walls of tile, glass, vitrolite, carrara, porcelain-enamel, or other smooth surfaces without drilling,



thereby avoiding the danger of cracking or marring wall surfaces. It consists of a metal plate to which plastic disks are bolted. In the center of the plate is a suction cup. Adhesive is spread on the disks which are then placed in position on the wall and are held by the suction cup and mounting plate. When the adhesive has dried, the plate is removed. The cabinet is then attached, using the same bolts with which the disks were secured.

With additional supplies of disks, bolts and adhesive, the plate may be used repeatedly. Three sizes are manufactured, using two, three, or four disks depending on the size cabinet or appliance to be installed. The Kitco mounting plate is manufactured by the Kirch-Trumbull Corp., Alden, N. Y.

Checkwriter

Claimed to be improved in operation over former models, the de luxe Electric "Protectograph" checkwriter, made by the Todd Co., Rochester, N. Y., has all interior parts treated and finished to resist rust and corrosion. Other refinements are an improved ribbon reverse and control mechanism; a prefix-word control and mechanism for added disbursement safety; and stronger shafts, castings, and other operating parts to assure efficient operation and long life. The machine is completely automatic. Amounts are set up as on an adding machine; when operators touch the sensitive trip bar, the figures are instantly shredded into the paper. The Protectograph is supplied with a performance guarantee indemnifying users against losses resulting from alteration of amount lines written on the machine.

THINGS TO COME

A new oil, grease, and water absorbent produced from alumina silicate material is said to be capable of absorbing from 120% to 140% of its own weight. According to the Blue Mountain Clay Co., Memphis 1, which will start producing the material this fall, the absorbent eliminates slipping accidents and flash fires when used on oily and wet floors. The material weighs up to 30 lb. per cu. ft.

• An automatic brick-laying machine, when available, will lay 20 times as many brick a day as is possible with hand labor. Ten men operate the machine, which carries brick on a conveyor, places it in position, and delivers mortar through a pressure system. The machine is still in the blueprint stage.

Never Underestimate The Power of the Package



Of 5 major essentials to the production of a selling package, by far the greatest is the power to attract!

Consumer surveys show that 62% to 75% of buying decisions are made at the point-of-sale.

Hence a package that attracts the eyes of passing consumers, that arouses interest, identifies your product, and makes a better impression of quality than competing packages—WINS SALES!

This fact has been generously confirmed in Ritchie's 79 years of producing outstanding, sales-making packages for leading national merchandisers.

What

SAKS FIFTH AVENUE

says about Packages

• "Saks Fifth Avenue has always considered its packages an important form of Advertising and Promotion. Just as much care is given the selection of design, color, lettering and materials used in our packages, as is given the selection of the fine merchandise which they will contain."

F. R. JOHNSON
Vice-President

NEVER UNDERESTIMATE THE POWER

LET US WORK WITH YOU to develop a better package at low unit cost. One that will fully protect and conveniently dispense your product—practical, production-planned—easy to fill or pack—to handle, to stack and display—but above all designed for eye-appeal, for quality impression—a selling package.

W.C. Ritchie
and COMPANY

- 6001 Baltimore Avenue, Chicago 17
- ★ SET-UP PAPER BOXES
- ★ FIBRE CANS
- ★ TRANSPARENT PACKAGES

OF THE PACKAGE

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Expansion—By the Calendar

Proposed stock offering by Brown & Bigelow, big-time maker of advertising novelties, is latest highlight in success story of Charles Allen Ward, who turned a bad start into a happy ending.

Brown & Bigelow, St. Paul (Minn.) firm which in 50 years has built the manufacture of advertising novelties into Big Business, is going to enlist public aid for the latest expansion planned by the prodigious character who is its president and general manager—Charles Allen Ward.

Closely held by 173 preferred and 237 common stockholders (chiefly executives and employees), the company last year sold \$20,000,000 in calendars, plastic and metal advertising novelties, leather goods, and playing cards.

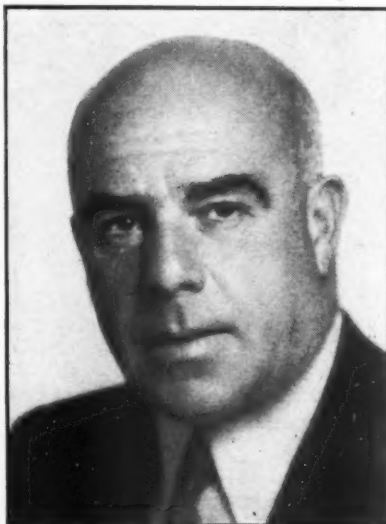
• **Stock Offering**—B. & B. now proposes to follow the lead of other more or less closed corporations by inviting the public to put up the \$3,000,000 cash it needs for plant expansion and working capital. Some of the present stockholders plan to reduce their personal holdings, as 304,881 shares of the 427,558 shares of \$1 common to be offered are for such individuals' accounts.

The success story of Brown & Bigelow during the past two decades, during which its "Remembrance Advertising" sales have risen from \$5,000,000 to \$26,500,000 (included is some \$6,000,000 in war work in 1945), is essentially that of its president. And the success story of Charlie Ward begins with his being put behind prison bars.

• **On His Own at 17**—Ward was born in Seattle on May 29, 1887. His father was a poverty-ridden school teacher named Manning. The Mannings were divorced when he was four. When he was 14 his mother married a seaman named Ward, and home became less and less attractive, as the boy was forced to peddle papers, shine shoes, and perform odd jobs around the neighborhood saloon. At 17, just out of high school, he ran away. He never saw or heard from his mother again.

Years of drifting followed—to China and Japan on Pacific freighters; to Alaska, where he spent four years as a saloon flunky, dogteam driver, and gold mine mucker; to Nevada, where he worked a mining claim and doubled his take at the roulette table; to Mexico, where he joined Pancho Villa's revolutionary army as a civilian captain and quartermaster at \$20, gold, a day.

• **Spending Spree**—Ward soon developed a sideline business in confiscated



Charles Allen Ward, president of Brown & Bigelow, is adding a new chapter to his sensational success story with a bid for public financing of his advertising novelty firm.

hides, and in the course of two years cleared \$70,000, which he took to El Paso (Texas) and blew on his first big-time spending spree. He wound up in Denver in 1917 flat broke, spent his idle time with cronies from his El Paso and vagabonding days. Some of these were small-time dealers in drugs. On July 18, 1919, federal agents arrested Ward, declaring that they had found \$6,000 in cocaine and morphine in his lodgings. Ward insisted that the drugs were planted there. Tried and convicted, he entered Leavenworth penitentiary early in 1921 to begin a ten-year sentence. He got a job as prison electrician, worked in the power plant, and studied electricity, rising to the post of power plant superintendent—a position which gave him considerable freedom and numerous privileges.

• **Bigelow Enters**—In 1923, H. H. Bigelow, head of Brown & Bigelow, was sent to Leavenworth for income tax evasion. The 53-year-old aristocratic industrialist strode into the penitentiary as if it were his own factory, and fellow

convicts promptly made life miserable for him. Ward watched the torturing of the older man sympathetically, finally promised to act as a buffer. Changes came fast for Bigelow. He was moved to a more comfortable cell and given better fitting clothes.

Ward even arranged to ease some of Bigelow's business worries, arising from the fear that Brown & Bigelow would be mismanaged during his term in prison.

• **Learns the Business**—By pulling strings, Ward got Bigelow permission to send out hundreds of letters a week, instead of the few usually permitted. He helped Bigelow with these letters after prison working hours; Bigelow in turn told Ward about every phase of the business.

The manufacturer was paroled in April, 1924; Ward was released 36 days later and immediately headed for St. Paul and his promised job. He started in the engineering department, became a foreman a year later, then superintendent, assistant general manager, and in 1931, vice-president. During this period he also qualified for membership in the American Society of Mechanical Engineers.

• **Death Intervenes**—In September, 1933, Bigelow lost his life in a sensational canoeing accident during a vacation trip in northern Minnesota—a trip that Ward missed only because last-minute pressure of business prevented him from going.

Under terms of Bigelow's will, various top executives of the company received generous bequests, and a balance of \$3,000,000 was divided: \$1,000,000 to Ward; \$1,000,000 to Mrs. R. P. Galloway, a sister of Bigelow; and \$1,000,000 between Bigelow's foster son and a son of that foster son.

In 1933, nine years after leaving Leavenworth, Ward was elected president and general manager of Brown & Bigelow.

• **Philanthropist**—Although Ward realized business success almost immediately, he failed to make much of an impression in St. Paul socially. And his early encounter with barriers at the doors of the exclusive Summit Avenue homes may account for some of the turns which his philanthropic activities took.

His favorite project for many years was a Christmas party for several hundred orphans, a party that included a turkey dinner, a 35-piece orchestra, choruses, and generous presents.

• **Ex-Convicts Aided**—Perhaps the most unusual feature of his organization, and a further example of the workings of his philanthropy, is that about 50 former convicts hold important executive positions in the company.

On Sept. 21, 1935, President Roosevelt ordered Ward's civil rights restored

Manufacturers! Farmers! Retailers!

THE SHORTEST DISTANCE BETWEEN TWO POINTS *is by Truck!*

**Modern, Direct Truck Transportation is Often
Faster than the U. S. Mails!**

For speed, safety, flexibility—and greater all-round economy—no other form of transportation can match modern truck transport.

Trucks pick up the load wherever it's made or grown—and speed it *direct* to the manufacturer, wholesaler or retailer.

Extra crating is unnecessary, because your goods *roll on rubber*—with no "humping", no "switching", less handling. Goods arrive in better condition—with less breakage, less loss!

Faster, more frequent deliveries mean lower inventory, less storage space, greater turnover on your investment—higher profits.

That's why more and more people in every field are finding that it pays to specify "Ship by Truck"—pays in precious time, and in actual cash.

Find out today what modern truck transport can do for *you*. Write or call your State Trucking Association . . . affiliated with ATA.



THE AMERICAN TRUCKING INDUSTRY

AMERICAN TRUCKING ASSOCIATIONS, WASHINGTON 6, D. C.

SHIP BY TRUCK - GET THINGS FASTER

THE Luminaire IS THE "Key" TO Good Lighting



Fluorescent the "Key" to the Specific Lighting Job!

Whatever the lighting problem, whether in office, store, factory or institution, the "Key" to Good Lighting is the Luminaire, for it is the Luminaire that harnesses and controls the energy of the light sources to produce the desired results!

GUTH FLUORESCENT Luminaires are the "Key" to the Specific Lighting Job. GUTH FLUORESCENTS offer "tested" quality, proven in actual application, dependable results, predictable by scientific ratings, and the newest Luminaire designs—pioneered by GUTH—Leaders in Lighting for 44 continuous years.

*GUTH FUTURLITERS in this office are providing 68 Foot Candles of quick-seeing illumination. Mounted directly to 11' ceiling and spaced on 8' centers, FUTURLITERS use only 2.3 watts per square foot!

THE EDWIN F. GUTH CO.

2615 Washington Ave. • St. Louis 3, Mo.
Leaders in Lighting Since 1902

as a reward for the "exemplary life" he had led since his release from prison. The President mentioned Ward's charities and the fact that he had given employment to many former convicts seeking a new start in life.

• **Motivation**—Ward still smarts under the lashing comment of the Denver judge who sentenced him to prison as "a man beneath contempt." He wants to be known as a success, as a brilliant industrialist, a loyal friend, and a generous man. That, it is said, explains his political interests, his philanthropies, his lavish hospitality.

Businessmen of the Twin Cities at first were just as aloof as St. Paul society. His attachment to Floyd B. Olson, Farmer-Labor governor of Minnesota from 1930 to 1936.

• **Now in the Clubs**—Consequently he originally encountered great difficulty in getting into St. Paul's exclusive Minnesota Club. He now also belongs to the St. Paul University Club, though not a college graduate, the St. Paul Athletic Club, and the well-heeled Town & Country Club there.

Ward contributed heavily to Olson's campaign funds. He takes credit for in-

Rails Numbered Among Postwar Casualties

In the first half of 1946, revenues of the Class I roads fell more than \$1,100,000,000, or 24%, under levels of the previous year. A deficit of probably \$27,000,000 after charges was also revealed, compared with 1945's \$327,000,000 of net earnings.

Helping to create this dismal showing were the strike troubles of many important traffic-producers, and sharply lower military traffic. Equally potent, too, were 1946's materially higher wage rates, other rising operating costs, lower operating efficiency, and the lack of a sufficient freight-rate boost to offset such unfavorable factors.

• **Hopeful Signs**—In the last six months of the year, uptrending traffic should greatly improve operating

ratios. Revenues may be upped some \$200,000,000 by the minor interim freight-rate increase granted recently (BW-Jul. 6 '46, p81), and further swelled by another 10% to 12% hike late this fall. Large tax carryback credits will be available for use.

For these reasons, Wall Street thinks full 1946 earnings of \$350 million to \$400 million, compared with 1945's \$447 million net, are quite possible despite the poor start.

• **A Hard Job**—Judging from the first half's operating results compiled (in thousands) below, however, some systems appear to face a hard job in meeting Wall Street forecasts. Action of the rail stocks recently (BW-Jul. 27 '46, p110) also indicates considerable "outside" doubt on this point.

	Gross Revenues		Net Income		Earnings per Common Share	
	1946	1945	1946	1945	1946	1945
Atch. Topeka & Santa Fe.....	\$196,210	\$282,088	B\$20,758	B\$30,472	NA	NA
Atlantic Coast Line.....	65,474	82,724	BD939	B5,293	NA	NA
Baltimore & Ohio.....	139,346	193,939	D16,690	11,734	...	\$4.12
Boston & Maine.....	36,902	42,721	D868	2,399	...	A10.37
Chesapeake & Ohio.....	86,188	106,307	9,799	13,068	\$1.28	1.71
Chicago, Bur. & Quincy.....	95,044	125,460	11,036	13,231	6.46	7.74
Chicago Great Western.....	12,900	15,160	D1,580	532	...	A11.33
Chicago, Mil., St. Paul & Pac...	93,475	115,205	D3,539	7,885	...	2.39
Chicago & North Western.....	74,342	83,663	BD79	B11,145	NA	NA
Delaware & Hudson R.R.....	20,237	24,231	B1,051	B2,607	NA	NA
Erie R.R.....	58,007	75,326	D5,194	3,932	...	1.19
Great Northern.....	74,303	98,695	2,489	8,578	A0.80	A2.77
Gulf, Mobile & Ohio.....	17,083	19,867	D131	1,588	...	1.48
Illinois Central.....	100,641	130,422	2,306	10,303	1.29	7.17
Kansas City Southern.....	14,251	20,468	B2,402	B3,107	NA	NA
Lehigh Valley.....	31,390	41,938	D1,838	D1,441
Louisville & Nashville.....	80,058	106,913	B5,756	B12,698	NA	NA
Missouri-Kansas-Texas.....	29,899	45,199	936	2,269	A1.40	A3.40
New York Central.....	287,609	344,230	D9,386	15,687	...	2.43
New York, Chicago & St. Louis..	33,619	49,028	235	6,550	...	16.20
Norfolk & Western.....	59,580	80,036	9,644	11,206	6.54	7.65
Northern Pacific.....	58,373	72,970	B2,589	B9,852	NA	NA
Pennsylvania R.R.....	377,230	494,597	BD7,710	B66,021	NA	NA
Pere Marquette.....	22,132	28,876	D1,033	3,076	...	5.50
Reading Co.....	47,809	57,569	B2,325	B7,081	NA	NA
Southern Pacific.....	236,800	313,168	8,339	19,539	2.21	5.18
Southern Ry.....	103,380	135,557	3,071	11,275	1.21	7.53
Texas & Pacific.....	27,750	40,408	2,878	3,216	5.89	6.77
Union Pacific.....	166,935	252,382	9,909	21,509	3.56	8.78
Wabash R.R.....	37,362	49,912	B2,962	B4,956	NA	NA

A—Earnings on preferred stock. B—Net Railway Operating Income as complete 1946 first half details not yet available. D—Deficit. NA—Not available.

vesting Mrs. Olson's meager insurance monies, following the governor's death in 1936, so that they grew into a significant fund. He also paid for the college education of Olson's daughter, Patricia.

• **Family Man**—In 1940 Ward married his private secretary, Mrs. Yvette Hennig Saunders. They now have two children, live on a 1,700-acre farm in Hudson, Wis., which is some 20 miles from St. Paul.

A tanned and muscular man, he limits himself to a drink or two, smokes only cigarettes, and has given up gambling. He entertains lavishly, often has a barbecue on one of his farms, killing a buffalo from his private herd for the occasion.

He once bought out a Chicago theater for two days, took the entire cast to Hudson to entertain his guests.

• **Owner of Ranches**—Several years ago he went to Arizona for sinusitis and liked the country so well he bought property there. He now owns four ranches in the Verde Valley—more than 6,000 acres in all—and leases some 80,000 acres more from the government. He keeps 3,000 head of cattle, marketing 600 each year. About 300 acres are under cultivation. All fruit from his extensive orchards is given away to friends and employees. Last spring company executives and their wives gathered at one of his ranches for the annual sales meeting.

Ward claims exceptional results from his labor policies. When he took over the presidency, the company was open shop. He voluntarily called in the heads of the various unions and worked out agreements. B. & B., which now has 17 union contracts, has never had any labor trouble since.

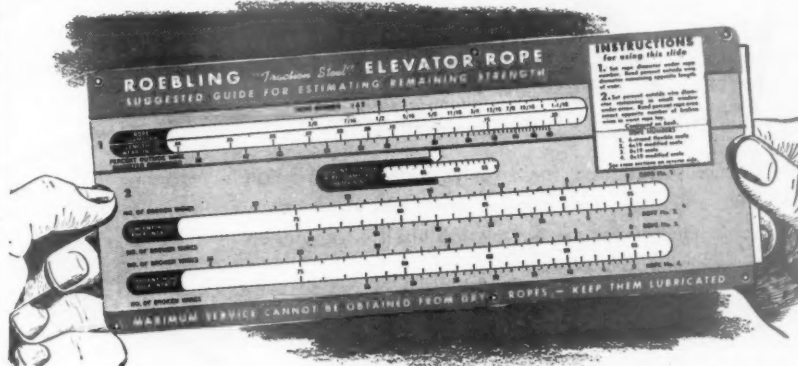
• **3,500 Share Bonus**—The company has 681 salesmen and 28 district sales managers, with offices in all principal cities. Its 3,500 employees last year shared \$1,500,000 under the firm's bonus plan.

Ward is proud of the fact that under one roof he has every kind of printing and reproduction process used in the world. Brown & Bigelow claims to have made more than half the 90,000,000 calendars that are now hanging in offices and homes of the country. Artists under contract include such personages as Norman Rockwell, Maxfield Parrish, Rolf Armstrong, Earl Moran, and Lawson Wood.

• **Nudes to Quints**—Calendar subjects range from nudes to the Dionne quintuplets, from Boy Scouts to Columbus discovering America. Unquestioned leaders are the Quints, whose faces appeared on 2,500,000 calendars in 1936, still were good for a million last year to nose out the Boy Scouts for top position. One out of every four B. & B. calendars has a girl for the subject.

During recent years Ward has hired

When elevator rope purchases are considered Roebling is there*



with this Perrygraf Rope Strength Calculator

• Roebling executives wanted to be sure that Roebling Elevator Rope was considered every time elevator rope was bought—whether a salesman was on hand or not.

To meet this objective, Perry Graf Corporation designed and manufactured the Rope Strength Calculator. It calculates, in four flicks of the fingers, the remaining life in elevator rope.

Now, all over the country, building managers and engineers use this calculator to tell when to replace elevator rope. And whenever they are thinking of buying elevator rope, the Roebling name is before them.

"A most useful item, for which there is a heavy and continuing demand," says E. C. Low, Vice President in Charge of Sales of John A. Roebling's Sons Company. Results were so good with the Rope Strength Calculator that three more Perrygrafs were developed for other Roebling lines.

You Merely Define the Problem ... We Do the Rest

Perry Graf design experience is yours for the asking. We work out the idea, and submit designs and prices promptly without obligation.

Write for Folder and Samples

Folder listing many types of Perrygraf, sales tools, illustrating and describing them, is yours for the asking. Samples of Perrygrafs, too, upon request—free, of course. Write Planning Department, Perry Graf Corporation.

How it works:

The slide is moved to set rope diameter in inches under the rope type number. Under "length of wear, inches" is then found the percent of outside wire diameter remaining. Three other similar steps give the percent of rope area intact, the remaining strength, and a correction for the kind of wrap. It's quick, simple, and easy—and the calculator helps sell Roebling.

BUILD PROFITS these 8 ways

Perrygraf Product Selectors, Calculators, Visualizers and Demonstrators will . . .

1. Focus demand on the most profitable items.
2. Save selling time with fingertip control of information about your product.
3. Make your sales story easy to grasp—easy to remember.
4. Suggest your product name when purchases are being considered.
5. Make it easy to specify your product.
6. Make your product easier for distributors' salesmen to sell than any other.
7. Inject a new selling tool into your sales and advertising program.
8. Help to build cream prospect lists for only a few cents per name.



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Visualizers, Demonstrators,
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**A NAME IDENTIFIED WITH
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Specially designed for each particular application with efficiency and long-life built into every part, Lamb Electric Motors have established a reputation for dependable service.

Contributing importantly to this dependability is our 31 years' experience in designing and building small motors for over three thousand special applications.

THE LAMB ELECTRIC COMPANY • KENT, OHIO



Small series universal motor parts specially designed for food-mixers and sewing machines.

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FORMERLY **SPECIAL APPLICATION FRACTIONAL HORSEPOWER MOTORS**

Securities Distribution that DISTRIBUTES

Public ownership of the securities of any well-managed corporation is a distinct sales asset . . . the more widespread that ownership, the better.

Whether you are considering new capital financing or the distribution of large personal holdings, our firm with its long record of experience has much to offer . . . more than 300 experienced representatives in our 23 offices are at your service . . . our distributing facilities cover eighteen states.

During the first six months of 1946, we distributed over \$40,000,000 of new capital issues for corporations . . . 159 different offerings of bonds, preferred stocks and common stocks made up this total . . . In this same period, we acted as principal underwriters and managers of new corporate security issues aggregating \$36,000,000.

Our partners will welcome the opportunity to discuss your public financing plans with you—no obligation is involved.

PAINE, WEBBER, JACKSON & CURTIS

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MINNEAPOLIS AKRON CONCORD DULUTH ELMIRA GRAND RAPIDS HARTFORD
LYNN PROVIDENCE SPRINGFIELD ST. PAUL WORCESTER

Where the Calendars Go

What happens to the millions of calendars given to householders as advertising media each year?

Brown & Bigelow, claiming to be the country's biggest producer, conducted a survey to get an answer to this question, was told by 97% of the women queried that they used all the calendars they got.

Favorite spot for hanging them was the kitchen; 96.8% said they put at least one there. Into the kitchen go the specialty calendars—those equipped with household hints, recipes, a handy pocket for unpaid bills, a note pad.

Next in order come the dining room and bedroom, where subjects appropriate to the locus are required. The survey did not disclose which subjects were deemed most appropriate for the 4.1% which wind up hanging in the bathroom.

several good newspapermen, but he emphatically denies rumors that he has publishing ambitions.

The company's war work consisted of manufacturing rocket, bomb, and projectile fuses, including components of the famous VT fuse (BW-Sep.29 '45,p64).

• **Big Plans**—Ward has big plans for the future, expects to boost sales to \$30,000,000 this year, \$50,000,000 a few years hence. A \$2,500,000 administration building is past the drawing board stage. The company is moving back into foreign markets. And an entirely new venture will be in the ball-point fountain pen field.

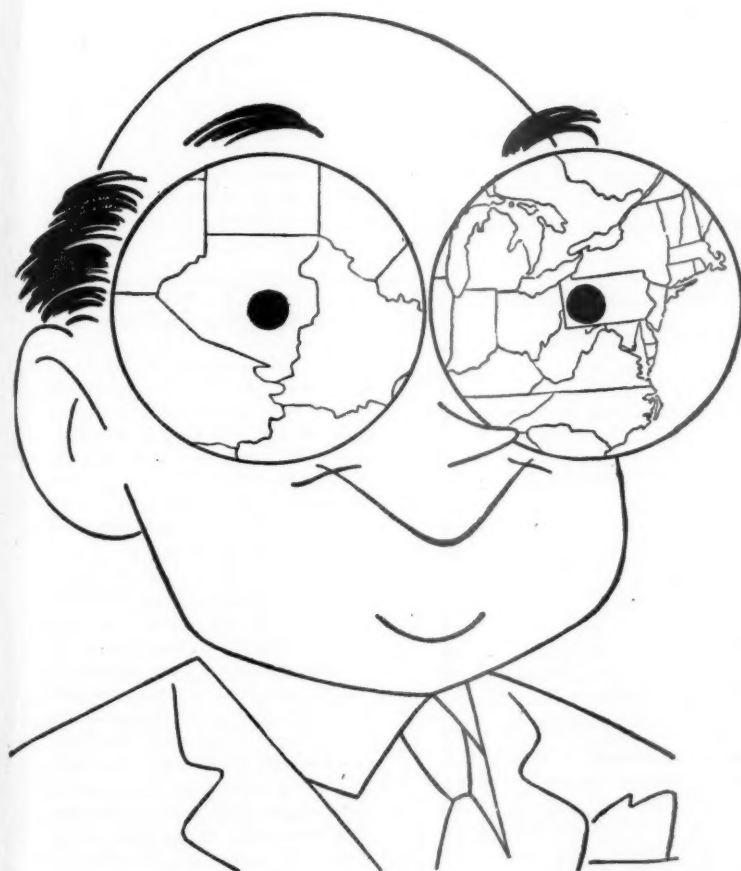
Preparing for the new era, Brown & Bigelow last week added several prominent names to its directorate, dropped holdovers from the Bigelow dynasty—such as Mrs. Galloway, Bigelow's sister.

• **Personages**—The new board includes such personages as Thomas D'Arcy Brophy, president of Kenyon & Eckhardt, Inc., New York advertising agency; Frank J. Gavin, president of the Great Northern Railroad; Croil Hunter, president of Northwest Airlines (page 50); R. C. Lilly, chairman of the First National Bank, St. Paul; and W. H. Oppenheimer, St. Paul attorney. Ward's two top lieutenants, Martin E. Trollden, vice-president in charge of manufacturing, and E. C. Peterson, vice-president, continue on the board.

But Ward continues the dominant figure—and will for at least another five years. Underwriters of the forthcoming stock issue insisted on an employment contract of that length as a condition of the deal.

Pittsburgh Businessmen

have eyes like saucers



No Wonder!

One eye scans the Pittsburgh Trade Area where the number of wage-earners is 16 times the U. S. average for a like area . . . 16 times as many people with money in their pockets. These wage earners make 22 times the average value of manufactured products . . . so there's always a ready source for things to sell to them or to make into other things to sell to them.



The other eye—the farsighted one—takes in 500 miles. 81% of all the wage-earners in the United States live in that charming circle. They make 79% of the U. S. value of manufactured goods. The manufacturing-buying-selling cycle within 500 miles of Pittsburgh is about as close as you'll come to perpetual motion in our time.



Five Class I railroads put anyone in Pittsburgh within an overnight hop of any office, plant or warehouse in this dollar-studded area.

Two major passenger airlines make it a matter of minutes.



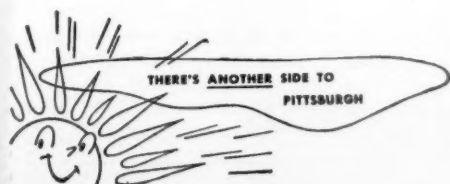
A twelve thousand mile web of navigable rivers, being made more navigable every year with dredging and flood control measures, furnishes cheap transport.



Three Federal highways, the Pennsylvania Turnpike, and heaven knows how many miles of good hard road lace the area with truck routes.



So Pittsburgh—aside from being the industrial capital of the world—is also a marvelous place to buy and sell and trade things. If you will consider establishing your business here, and risk getting saucer-eyed over your good fortune, our Research Department or the Chamber of Commerce of Pittsburgh will furnish facts to help you make your decision.



The Pittsburgh Press

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In Daily Circulation
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The **FIRST BOSTON CORPORATION**

and

MELLON SECURITIES CORPORATION

announce that a merger of the two Corporations has been completed. The underwriting, distributing and trading securities business of both corporations will be continued under the name of

The First Boston Corporation

A Merger of

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**CHICAGO CLEVELAND PHILADELPHIA SAN FRANCISCO
BUFFALO HARTFORD PROVIDENCE RUTLAND
SPRINGFIELD WASHINGTON**

August 1, 1946.

Tax Law Tested

Renters of rolling stock request Iowa court ruling on property levy. Tax officials support "discrimination" plea.

A suit challenging the application of Iowa's property tax to railroad equipment recently went into the docket of the Polk County District Court at Des Moines. Plaintiff is the Associated Railway Equipment Owners, an organization of 21 small companies that rent rolling stock to railroad users. The total number of cars owned by A.R.E.O. members would make just about one big company.

Union Tank Car, General American Transportation, Pullman, and other major owners have adopted a hands-off policy toward the case.

• **Mutual Disapproval**—Principal bone of contention is A.R.E.O.'s claim that the state tax on rented cars is approximately ten times as high as that on railroad-owned equipment. Also, Iowa taxes the owners on the average value of their rolling stock that was in the state during the year. A.R.E.O. contends that this is unfair, that most of

More Time for Banking

The Commonwealth Bank of Detroit has moved to uncover an answer to the crowded lobbies and long lines at the tellers' windows which its depositors have encountered since early in the war period. Weekday closing time in its 19 branch offices has been extended from 3 p. m. to 5 p. m.

• The main office will continue the old closing hours, since it concentrates on affairs of business concerns rather than individuals.

Crowded conditions are nothing new, but Commonwealth Bank felt that until now nothing could be done about them. During the war, the shortage of manpower kept the bank busy maintaining its traditional schedules. And, now that that problem has cleared up somewhat, shortage of materials has made it impossible to meet the situation by erecting new branches.

• No additional employees will be hired for the extra ten banking hours per week. Some employees report for work later in the day to make up for the lengthened hours.

Other banks in Detroit did not immediately follow Commonwealth's lead.

the rented cars merely pass through, seldom remaining in Iowa for any length of time.

A.R.E.O. advocates taxation on the mileage traveled by a company's cars in the state during a year, correlating this mileage to the total mileage rolled up by its cars in the U. S.

Iowa tax officials hope that A.R.E.O.'s stand will bring reforms which they consider long overdue. The October, 1945, report of its property tax division to the State Tax Commission termed the rolling stock tax "discriminatory and unfair" and recommended that the constitutionality of the statute be tested.

• **Test Forced**—A.R.E.O. members obligingly brought the issue to a boil by deliberately neglecting to pay tax claims totaling \$14,724 on their 1944 and 1945 bills. The state countered by serving writs on railroads operating in Iowa to garnish money due for use of A.R.E.O. cars. Pending settlement of the suit, the association has posted bond for the taxes claimed.

General policy of car-owning companies is to go along with any tax they consider fair even if they believe the law is not valid. They reason that a legislature can always pass enabling acts that will stand up in a court test and that a law which admittedly has flaws puts them in a favorable bargaining position with tax authorities.

• **Common Occurrence**—Iowa's is only one of many similar cases that have been fought throughout the country since 1898. Lately, A.R.E.O. has won in Missouri and Montana, lost in Minnesota. Members are awaiting decision by the Utah Supreme Court on their most recent case. A.R.E.O. usually files three or four tax suits a year.

P. S.

Allen & Co.'s recent sale of some 64% of its original holdings of Colorado Fuel & Iron Corp. common didn't produce the profit some Denverites had earlier figured that it had (BW—Jul. 27'46,p64). Instead of commanding a price of \$20 a share, or better, the stock was actually sold for only \$17, less underwriting expenses of \$1.33. Its original cost was \$7.59. Thus profits, while comprising a tidy sum, amounted to some \$1,100,000, rather than around the locally estimated \$2,000,000-mark.

A stockholder suit has just been filed against Graham Paige Motors, Inc., its president and board chairman, Joseph W. Frazer, and 14 other directors and former directors. This action, in which other stockholders were invited to join, demands an accounting concerning the substantial losses incurred by that company through its acquisition in 1944 of the Warren City Mfg. Co., previously almost exclusively a Frazer corporate baby (BW—May25'46,p44).



"WHAT DO YOU MEAN WE
SAVE... USING A RESIN
THAT GETS REJECTS
AND DOWNTIME?"

I Was Stumped

when Jim asked me that!

I was buying that resin. He was responsible for making it work. I didn't know that we could have a resin made to order for our specific job, instead of a resin made to the average requirements of merely similar applications. That's when I switched to Interlake specification resins.

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Interlake has eliminated "resin adjusting," cut costs, and speeded production for users of resins in many fields—because Interlake makes each resin to fit the user's specific application. That's why we call them *specification* resins.

Interlake *functionally engineers* a resin to the user's *individual job*—in the user's plant—tests it *on the job*—then *stabilizes production* of that resin for *continuous uniformity in performance*. Thereafter, the performance of every shipment of that resin is identical with the first.



BRING YOUR RESIN PROBLEMS TO INTERLAKE. Let us work with you on any resin problem, or discuss possible advantage of using resin in any process. Write Interlake Chemical Corporation, Plastics Division, 1912 Union Commerce Building, Cleveland 14, Ohio.

**INTERLAKE
CHEMICAL**

Corporation

• PRODUCTS FROM COAL •

*Specificity
IN RESINS*

MARKETING

Market for Antiques Spirals

Prices in all categories—furniture, decorative objects and bric-a-brac—skyrocketed in an era of wartime shortages. Trade thinks the boom may hold out at least another year.

Any way you look at it, the postwar boom in antiques is a reflection of current thinking as clear as any image you might get in the murky mirror of your Aunt Fanny's Victorian dresser.

Some people are buying top-quality, big-money antiques as a solid investment against inflation as well as a hallmark of wealth—often, war wealth. Others buy antique furniture and decorative objects in all price ranges because they can't find suitable new merchandise. Still others buy low-priced old stuff—often antique only by courtesy—because their war savings enable them to acquire something "nice" for the house, or indulge a yen to start a collection of something not too expensive, like milk glass.

• **Price Rise Is General**—But don't disdain Aunt Fanny's dresser. Before the war it was probably worth only about \$20; right now, painted up in black and white and gold, it's likely to bring \$120. That illustrates the only generality you can make about today's antique values: that prices of all categories are up, and the lower the long-run value of the merchandise, the higher its percent of price increase.

The inclination to convert dollars into articles of intrinsic worth—including antiques—is plain from the report of Parke-Bernet Galleries, Inc., New York auction house. In its season from September, 1945, to June, 1946, buyers were 20% to 25% more numerous and lots were 20% fewer than in 1944-1945, but sales of all merchandise reached an all-time high of \$6,684,045, compared with \$6,165,920 in the previous year, and \$3,611,847 in 1942-1943. (These figures include books and prints, paintings and objects of art, jewelry, and other items, as well as antiques.) The average price per lot—a somewhat dubious figure obtained by lumping \$34,000 bracelets in with \$10 books—jumped 70% from \$92 in the 1937-1943 period to \$158 in 1944-1946.

• **Steep Bidding**—Prices paid for antique furniture at Parke-Bernet auctions this year were about 50% higher than in 1943, and some of the bidding was steep: A Queen Anne inlaid walnut secretary-cabinet brought \$4,000; two George II carved mahogany china cabinets sold for \$5,200; a Sheraton ser-

entine-front sideboard, \$2,400; a George III pedestal desk, \$2,200; a Louis XVI inlaid occasional table, inset with Sevres porcelain, \$3,000.

Generally speaking, however, the price increase of first-quality antiques (not museum pieces) has been more like 15% to 20% since 1941. For example, a set of eight London-type Chippendale chairs, circa 1770, with fine "skin" and niceties of construction, retailed for \$5,000 in 1941 and can still be had for \$5,500 to \$6,000.

By comparison, medium-priced pieces have jumped 50% to 60%; an example is a set of eight Sheraton chairs, made by some English country cabinet maker about 1795 of wood not so heavy nor so well chosen as in the Chippendale example. These retailed for \$1,800 in 1941 but would cost over \$3,000 now.

• **Genuine Stuff Holds Value**—Buyers of these antiques may not have any idea of resale, but the assurance that they can always get 50% to 75% of their money back, compared with 15% on reproductions if they're lucky, sweetens the price. Wood & Hogan, Inc., probably the country's largest wholesaler of English antiques, ascerts that even in the hazardous early 1930's the cash value of its inventory did not depreciate as much as those of common stocks.

Poor stuff, however, has jumped 200%, and its value will drop sharply as soon as new English reproductions are available in quantity. This kind of

thing might be a chest of drawers, with no inlaid work or other embellishment, made in England by an eighteenth century country cabinet maker. It retailed for \$150 in 1941, but it will bring \$420 now.

• **No Price Standard**—Most of the volume in antiques, however, takes place considerably below the Parke-Bernet and Wood & Hogan price levels. Thousands of dealers and half-way dealers are making an excellent living these days buying and selling furniture and bric-a-brac ranging all the way down to these things, any or all of which you might find in a neighborhood antique shop: a cut glass water pitcher retailing for perhaps \$7.95; a 50-year-old iron umbrella stand for about \$35; an early American all-leather top-hat box (for conversion to a wastebasket or ivy pot holder) about \$35; a 12-tone Swiss music box for about \$135; a copper boiler for \$40; a late Victorian walnut sewing table, \$70; "Gone with the Wind" oil table lamps up to \$50; a lyre-backed mahogany piano chair, \$90; decorative china figures for the corner cabinet or what-not, up to \$40.

These prices aren't standard—there is no standard. Prices are what a dealer can get, and on this low-priced merchandise they've doubled or even tripled since 1941. For example, a Victorian chair that sold for \$3 ten years ago might bring \$25 today, and a marble-top Victorian table that used to retail for \$20 now brings \$40. An ornate Victorian silver tea service which cost \$400 in 1849 was judged by experts five years ago to be worth only its coin value of \$250, but an ecstatic southern lady bought it for \$500. Today such a tea service would probably bring more like \$800.

• **Market Varies Greatly**—The thin line between antiques and secondhand merchandise (neither of which was placed under OPA ceiling prices) has grown thinner. Strictly speaking, an antique is something which can be imported duty free as an article of artistic merit made before 1830. But right now



A STATE DIVIDED—FOR THE TOURIST TRADE

The battle of the billboards is on in Nevada. With a donation (rumored to be \$25,000) from Harold's Club, famous gaming house, Reno's Chamber of Commerce plans a billboard display of 200 coast-to-coast signs as a step in a \$100,000 program. Object: to play down Las Vegas' roadside advertising campaign to turn the tourist to that city (BW—Jul.14'45,p24). And the donation is timed to counteract a petition to outlaw gambling "excesses" in the state.

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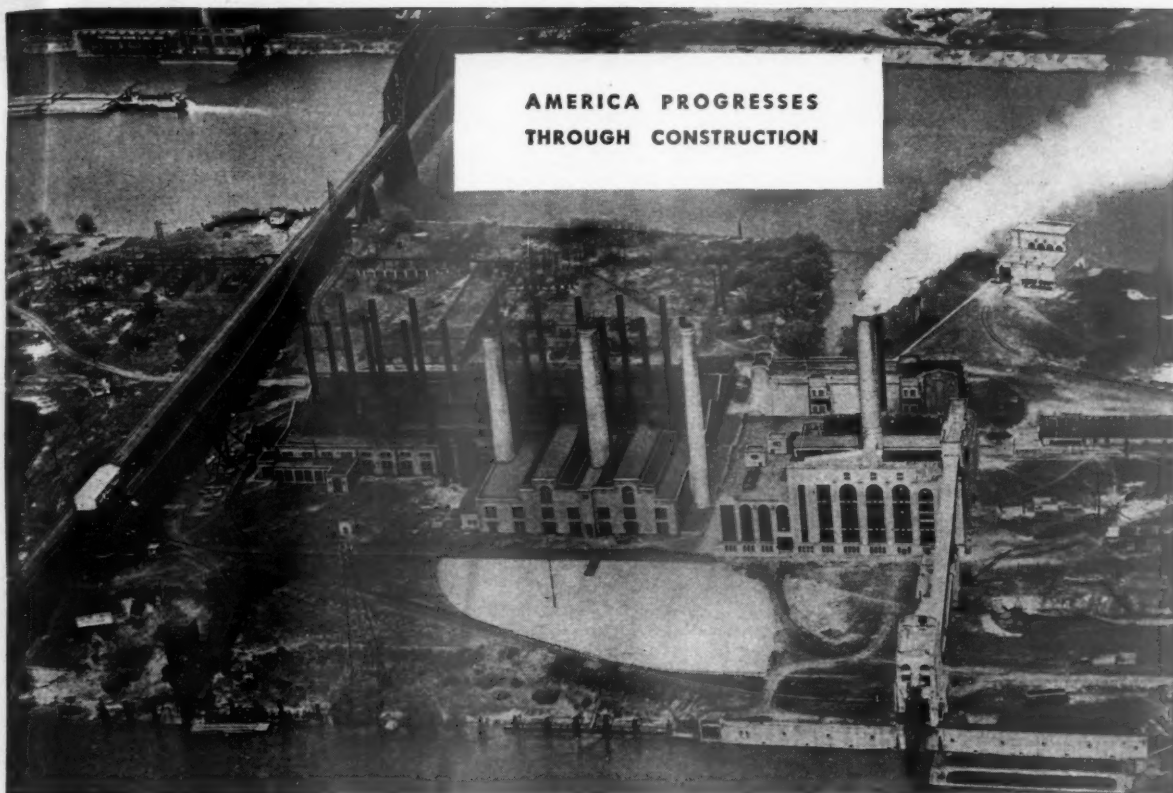
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1946



AMERICA PROGRESSES
THROUGH CONSTRUCTION

NEW POWER PLANTS GENERATE NEW PROSPERITY

THE industrial expansion of America is geared to the generation and transmission of electricity. Billions of additional kilowatt hours of electric energy will be needed if industry is to reach its future production goals.

It is estimated that the electrical power industry will expend between two and three billion dollars in new construction in the next three years. This expansion should provide electrical service to an additional 4,000,000 customers.

For complete future utilization of the electricity as an efficient business and

social force—at home—in offices—in stores—in factories—more and more power plants will be required. These new units, both large and small, must be strategically located and constructed to yield the greatest possible savings in operating and maintenance costs.

These results can be most economically attained by relying on the skill, responsibility and integrity of A. G. C. General Contractors, because of the sound business principles to which they are pledged under this A. G. C. Emblem.



This advertisement is No. 8 of this series

THE ASSOCIATED GENERAL CONTRACTORS of AMERICA, Inc.

Ninety-Six Branches and Chapters Throughout America
National Headquarters—Munsey Building, Washington 4, D. C.

SKILL, INTEGRITY AND RESPONSIBILITY IN CONSTRUCTION OF BUILDINGS, HIGHWAYS, RAILROADS, AIRPORTS AND PUBLIC WORKS



A Mullins salesman and a housewife plan a new Youngstown Kitchen with miniature models.

A Million Dollar Loan for an Idea!

IT WAS A simple idea, but it required financing. So the Mullins Manufacturing Corporation approached the Bank of Manhattan.

The Mullins' officers explained that their business was supplying automobile and appliance manufacturers with metal parts. Now they wanted to expand into the consumer market with modernized steel kitchen units. And they had a unique selling idea they thought would put their product across.

Mullins would make small models of the kitchen units. Salesmen, equipped with these models, would work with housewives in planning kitchen layouts which best fitted the buyer's needs. The result would be a "scientifically planned" kitchen.

The Company had been unable to find anyone with the vision to see the idea's possibilities and supply financial assistance until they came to the Bank of Manhattan.

This Bank saw the possibilities of the plan and loaned Mullins \$1,000,000. A distribution organization was set up, and soon the new product was on the market. Housewives liked planning their own streamlined kitchens and soon thousands of units were being turned out every day. The Company enlarged its plants and developed other kitchen appliances.

When war came, Mullins started working with the Ordnance Department. Assisted by a \$5,000,000 V-Loan

from the Bank, the Company revolutionized the making of numerous war parts by substituting the Mullins metal stamping process for other slower, more expensive methods.

Today, Mullins, its V-Loan liquidated, is making many new types of Youngstown Kitchens. And it is expanding—aided by another loan from the Bank of Manhattan. Before long, Mullins will add other products to their merchandise line.

The Bank of Manhattan likes ideas. And it encourages firms with ideas because it knows from experience that ideas—properly nurtured—mean eventual growth and prosperity. This Bank stands ready to help such firms, not only with money, but with equally valuable business experience and counsel.



**Bank of the
Manhattan Company**
NEW YORK

COMPLETE TRUST SERVICE

Member Federal Deposit Insurance Corporation

articles 25 to 30 years old go under the guise of antiques and are priced accordingly. The market varies in different sections of the country, however, for such articles.

For example, Martha Jane's Antiques, a Philadelphia wholesale house, reports that it does a thriving mail-order business in Victorian merchandise with southern and southwestern dealers, but that buyers in California, and especially in Hollywood, can see nothing but early American or early English, and most eastern collectors will hardly accept Victorian as a gift.

• **Many More Exhibits**—Antique shows offer the most conspicuous marketplace for low- and medium-priced antiques, and the fact that this year there will be half again as many of them as before the war is in itself an index to the public's enthusiasm for antiques. They are run by private promoters who hire exhibition space, rent booths to dealers, and persuade the public to pay a nominal admission fee for the privilege of seeing and buying.

Biggest of them, in size and prestige, is the New York Antiques Fair staged semiannually by C. J. Nuttall and Dorothy Hazen. This spring's five-day show attracted 160 exhibitors from 20 states, and sales totaled an estimated \$1,000,000. Though some firms showed pieces which ranged in price up to as much as \$5,000, and combined exhibits of really fine antiques were also arranged, most of the merchandise retailed for from \$1 (for old buttons or simple prints) to around \$300.

• **May Last Another Year**—The antique trade gives department stores credit for boosting consumer interest in antiques through lavish newspaper advertising and promotions, although, in the same breath, it blames them for much of the bad taste (like hiding fine walnut or mahogany under white paint) that inevitably has characterized the war boom. With the exception of a few stores, like Carson, Pirie, Scott & Co. of Chicago, which have always had fine antique departments and will continue them, department stores took on antiques only when new furniture became a war casualty. Many of these are now beginning to unload.

That may be one reason for the nervousness that is apparent now among some low-end antique dealers. They detect an inclination toward conservatism on the part of collectors—noticeable at the May session of the New York fair where prices were 25% higher than in 1945—and can't agree whether this is a real resistance or just a seasonal slump. Many dealers think that the boom will last another year. Meantime, summer antique shows are popping up all over everywhere, and exhibition space for the New York fair in October has already been sold out.



**Rex Beach has told her of a lasting love ...
you're catching her, Wallace*, at a most propitious time!**

SEE how readily she responds. She's friendly—young—impulsive.

And she's letting her feelings run free as she reads the closing sentence of a stirring story by Rex Beach—one of the constellation of star writers who appear in Cosmopolitan.

Great writing makes great reading! And great reading intensifies the emotions. It enriches the mind—enlivens the spirit. It inspires a thousand hopes and dreams.

So while she's swayed by the romantic writing of Rex Beach—up steps Wallace with those superb advertisements. Advertisements that high-light the sculptured splendor of sterling; that mirror the beauty

of Third Dimensional Designs—exclusively by Wallace.

It's a sure way to win friends—young, lasting friends. And that's why Wallace makes Cosmopolitan their advertising spearhead!

You can't miss when you team your advertising with the warm emotional writing of Rex Beach, Faith Baldwin and the host of other great Cosmopolitan writers. For emotion makes wars. Emotion makes marriages and emotion makes sales.

**A Cosmopolitan advertiser since 1940.*

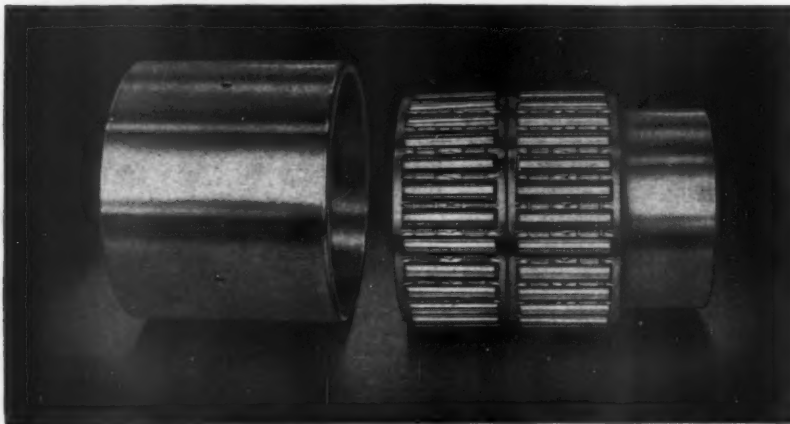


Cosmopolitan

GREAT WRITING MAKES GREAT READING

Contact **KAYDON** of Muskegon

FOR ALL TYPES OF BALL AND ROLLER BEARINGS
4 INCH BORE TO 120 INCH OUTSIDE DIAMETER



O.K. KAYDON BEARINGS

*for Steel Mill, Paper Mill, and other
Heavy-Duty Equipment*

Carrying tremendous bearing loads ... keeping giant production machines "on the beam" in precision operations ... absorbing terrific punishment in service on rock crushers, excavators and other heavy-duty equipment ... assuring dependable, smooth operation on big steel mill, paper mill and other rugged industrial machinery ... protecting vital parts that must continue to operate with precision at extremely high speeds ... improving output, lowering costs of operation and maintenance, and lengthening the service life of machinery ... these are the types of assignments that have won

industries' O.K. on KAYDON Bearings. Made completely within KAYDON plants, the complete line of KAYDON Bearings ranging from 4" bore to the extremely large 120" O.D., provides the broadest, dependable, precision bearing service to meet the exact demands of modern machine design, without compromise.

Counsel in confidence with KAYDON. Capacity now available for all sizes and types of KAYDON Bearings ... and for atmospheric controlled heat treating, precision heat treating, salt-bath and sub-zero conditioning and treatment, microscopy, physical testing and metallurgical laboratory service

KAYDON Types of Standard or Special Bearings:



Spherical Roller • Taper Roller
Ball Radial • Ball Thrust
Roller Radial • Roller Thrust

THE **KAYDON** ENGINEERING CORP.

MUSKEGON • MICHIGAN

New Irons in Fire

General Mills diversifies only after careful surveys of consumer preference and close study of distribution needs.

Marketing history is full of examples of "complementary diversification"—food manufacturers branching into vitamins; drug houses adding cosmetics and sundries; rubber companies producing synthetics. But rarely will a manufacturer jump into an almost totally unrelated field. Production know-how and the even bigger problem of securing adequate distribution are formidable hurdles.

That's why marketers are keeping an especially interested eye on General Mills (world's biggest flour miller) this month when the first batch of General Mills' new Tru-Heat side-rest irons reaches the market. No. 1 in a line of small electrical home appliances, the iron will be followed—in somewhat tentative order—by a device to convert dry irons into steam irons, pressure cookers, and coffee makers.

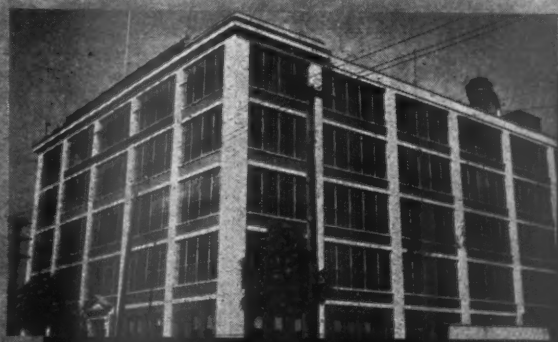
• **Won't Rush Distribution**—General Mills' entry into the appliance field is the direct result of integration. The firm long has built its own industrial equipment and has maintained an extensive designing-engineering setup (BW—Jan. 15'44,p32). During the war General Mills produced high precision ordnance materials and in this connection made the acquaintance of Maurice Graham, inventor of many a household product including the Toastmaster. Graham's inventiveness and General Mills' eagerness to diversify soon resulted in an electric iron as first item in a proposed line of traffic (small) appliances.

But General Mills intends to take its time marketing new durables, has no intention of rushing into the field before both product and distribution system have been exactly tested.

• **Tested by Housewives**—Before the new iron was publicly unveiled, thousands of housewives were enlisted by department stores to vote on their concept of a postwar iron. As a result of this polling, the final General Mills model differs considerably from the original test model. The electric cord is longer; the back-rest is eliminated entirely in favor of an arrangement enabling the iron to lie on its side; the heat control has been moved higher up; and the body is streamlined so that the iron works equally well backwards and forwards.

Even more elaborate tests are being applied to the pressure cooker. Fifty thousand dollars worth of handbuilt models are now in the hands of house-

Suppose
your credit
was rated
by the way your
building looks . . .



Put a Waterfoil
"Raincoat" on your
shabby structure



WATERFOIL

THE UNIQUE TREATMENT FOR EXTERIOR MASONRY SURFACES

If your building exteriors badly need restoration, make them look like new and protect them for the future with Waterfoil—a product of the Horn Research Laboratories. Manufactured of irreversible inorganic gels, Waterfoil bonds both physically and chemically to masonry forming a dense hard coating. Easy to apply, Waterfoil lets the masonry breathe as it should, but helps to impede water penetration.

Horn products and methods have restored and protected millions of square feet of surface throughout the nation. Send for the important Waterfoil literature today.

A. C. HORN COMPANY, Inc.

Established 1897 • Manufacturers of Materials for
Building Maintenance and Construction
43-36 Tenth Street, Long Island City 1, N. Y.

Houston, Texas • Chicago, Ill. • San Francisco, Calif. • Toronto, Can.

Subsidiary of Sun Chemical Corporation





... that trims as it cuts?

LAWN MOWERS have always been pretty much the same in design. But when Roebeling decided to make a power mower, it had to be different ... and better. Engineers were put on the job ... working models assembled ... tests made ... improvements worked out ... then more tests ...

Now the Roebeling Mower is in production. And it is new in principle, in design, in efficiency. Its blades sweep *horizontally* over the grass, like two electric fans, face down. It trims as it cuts, with great savings to you in time and work.

Roebeling pioneering started back in 1841 with America's first wire rope. It continued with history-making suspension bridges, wire and wire products of all kinds. Today it offers a new and better lawn mower.

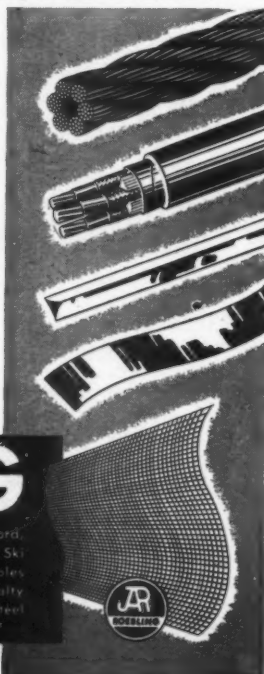
When you have specific requirements for special metal products, it's time you called in a Roebeling engineer.

JOHN A. ROEBLING'S SONS COMPANY
TRENTON 2, NEW JERSEY
Branches and Warehouses in Principal Cities

ROEBLING

Manufacturers of Wire Rope and Strand • Fittings • Slings • Aircord, Aircord Terminals and Air Controls • Aerial Wire Rope Systems • Ski Lifts • Electrical Wire and Cable • Suspension Bridges and Cables Hard, Annealed or Tempered High and Low Carbon Steel and Specialty Wire, Flat Wire, Cold Rolled Strip and Cold Rolled Spring Steel • Screen, Hardware and Industrial Wire Cloth • Jaws • Machinery

PACEMAKER IN WIRE PRODUCTS



wives for trial under actual kitchen conditions. From these—plus laboratory—tests General Mills already has decided that the final product will have an entirely new sealing device and a cooling arrangement that eliminates dunking the saucepan in water.

Additionally, meat packers, canners, and frozen food producers have been enlisted to work out a detailed recipe book, supposed to be the most comprehensive in the pressure cooker field.

• **Retailers Interviewed**—The sales organization that will market the new home appliance line is entirely distinct from any other General Mills sales force. Head of it is Roscoe E. Imhoff, formerly with Proctor Electric and Westinghouse.

Typical of how Imhoff's men secure distribution is the system used in the New York area by James B. Moore, Jr. (district manager, previously with the R. H. Macy department store). Moore and his helpers initially spent six months interviewing retailers, especially from the viewpoint of which distributors suited them best. From the candidates suggested by the retailers, ten distributors were chosen for the New York area, seven for New Jersey. They include not only appliance men, but also hardware, jewelry, and drug wholesalers.

Distributors may place the Tru-Heat iron in any type of outlet that wants to sell it. There is no territorial protection nor exclusive franchise arrangement at the retail level. However, General Mills promises dealers that (1) the iron is price-fixed at \$9.75 to guarantee satisfactory profit in an attractive price class, and (2) appliances will be backed by very liberal advertising (total General Mills budget this year: about \$12 million).

• **Regional Introduction**—The iron (and undoubtedly successor appliances) will be introduced regionally instead of nationally. This will obviate spreading supplies thin while materials are still scarce, and will permit closer attention to introductory details.

The schedule for getting the iron on the market calls for distribution in the North Central states this month; mid-west and east in October-November-December; south in January; and Pacific Coast in February.

How big a part of General Mills' volume the appliance line is expected to produce is difficult to foretell because (1) a lot depends on how broad the line eventually will grow, and (2) General Mills is diversifying in numerous directions, thus has a potentially changing composition of income and profits. Other fields in which the company is showing high interest include new types of packaged food, soy products, vitamin products, special products (industrial proteins and starches, acids), and special machinery.

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HOME LIGHTS

Houseless—and desperate—in Los Angeles, radio producer Forrest Owen, of "Queen for a Day" and "Lum 'n' Abner," leaves no match unburned that might light him to a domicile. He had 100 matchbooks printed with his name (above), telephone—and wants. Within a week he reported a nibble, is ready to go into a second 100 if the first fails.

Still Buying, But—

Retail representatives at fall apparel showings display some nervousness over prices and impending style changes.

Middle western retail store buyers who showed up for the fall apparel market showings in Chicago last week were still buying everything the manufacturers could sell them. But they were glancing nervously over their shoulders at the customers back home as they bought.

Although they reported that the customers were still taking everything offered, the fear that an end was in sight—if not this season, then next—lurked in the background.

• **Contributing Factors**—The prospect of higher prices, when OPA grants material price increases, and impending style changes contributed to their nervousness.

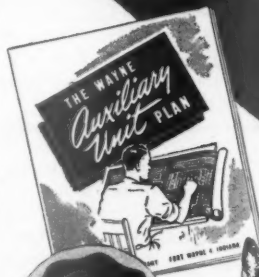
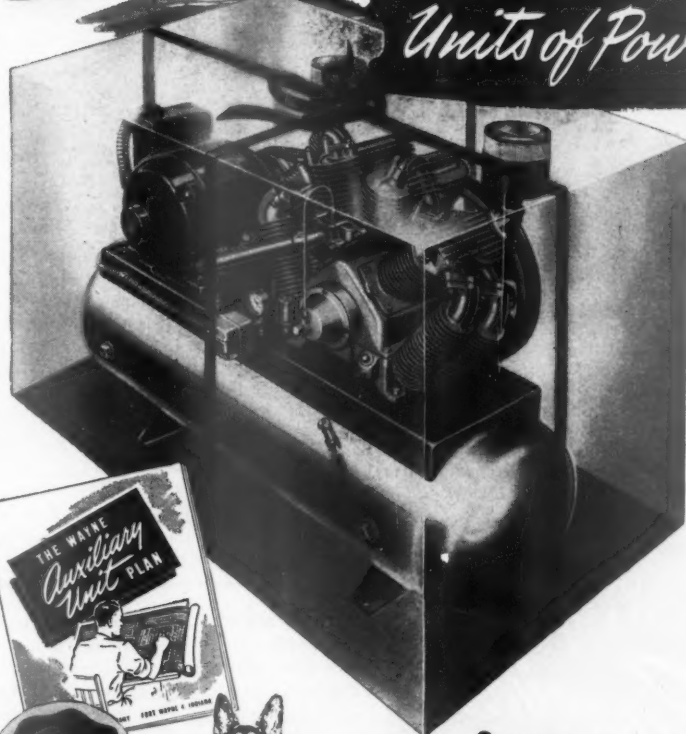
No determined mobs stormed manufacturers' showrooms this summer. The trade attributed the smaller turnout to various causes—to Chicago's crowded hotels, where buyers couldn't get confirmed reservations; to a wait-and-see

COMPRESSED AIR

Geared to the job!



PACKAGED
Units of Power



for your protection

SMALLER Wayne Compressors
"geared to the job" in departments which need air provide special pressures or volumes which the central unit may not do. This increases production efficiency inexpensively and offers real protection against total production failure due to lack of air. Write for booklet explaining fully.

Industrial Division
THE WAYNE PUMP COMPANY
FORT WAYNE 4, INDIANA

WAYNE AIR COMPRESSORS

HOSE REELS • POWER WASHERS • LIFTS • GASOLINE PUMPS

**NUMBER
ONE**

in **SALES
POTENTIAL**

Gateway to the
Pacific ... financial
capital of the West
... San Francisco is
too busy to stop
growing.

**SAN FRANCISCO
EXAMINER**

Number One

**in Circulation
... Advertising
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THE
SAN FRANCISCO

Examiner



NEWSPAPER NUMBER ONE

Nationally represented by
Hearst Advertising Service



Market for Appliances Gets Special Attention

Department stores are getting ready to take advantage of the buying spree that supposedly will greet the return of household appliances to the market.

• **A Separate Store**—Typical—though perhaps more elaborate than most—of the preparations to assure department stores an ample share of sales by creating an attractive atmosphere to lure customers is the May Co.'s new store in Wilshire district of Los Angeles (above). Here appliances (except radios) are displayed under their own roof in a structure that occupies a full city block. It adjoins the main May store, has 26,000 sq. ft. of floor space, also houses some related household products including bathroom equipment, kitchen furniture, decorative materials. All appliances in the new store are hooked up so that, by the push of a button, the housewife can set a dish-

washer or washing machine into motion. Model kitchens (of which there are twelve) are furnished in varying schemes and colors, exhibit a noteworthy trend away from time-honored white.

• **By Piece or Package**—Bathroom equipment will be sold piece by piece, or as a complete package including plumbing, wiring, heating, tilework, decorations.

Reasons for turning a former department into a separate store: Because of the long wait for appliances, customers should be in a determined buying mood; appliances sell best when displayed installed; crowds congregate when different makes and price groups are shown side by side to enable comparison shopping; appliances are good revenue-producers. The present May Co. stock includes 673 major appliances, 674 table models.

attitude after heavy advance buying for fall needs at the May openings; and to the postponement until September of the semiannual exhibits of out-of-town manufacturers, and of the wash dress manufacturers' showings.

• **New Styles**—Biggest news was that, for the first time in five years, radically new styles were appearing. Longer, form-hugging designs, dripping with sequins and glamor, were plugged by fashion experts and featured by the high-priced fashion houses. Popular-price houses, too, went heavily for glitter, but hedged their bets with plenty of tried-and-true casual lines.

Designers admit that all that holds them back from even more radical changes is continuing government restrictions on fabric uses.

• **Law Allows an Inch**—Because Regulation L-85, devised during wartime to save textiles, is still in effect, one more

inch is all that skirt lengths could be stretched. But, unlike New York houses, who showed longer skirts, then advised buyers that orders would be shipped shorter until L-85 goes into the discard, Chicago makers say they will deliver the longer skirts now.

Buyers' professional joy over something new to sell warred with their doubts over customers' reactions. Whether the housewife in Oshkosh or Dubuque will buy the sequined and be-furred numbers to dazzle husband or bridge club remained to be answered.

• **Hats Are Plentiful**—Larger allotments at some houses reflected slight easing in the still tight textile market. But only two lines were in ample supply. Costume jewelry, still at fantastic prices, continued merrily on its wartime spree. Women's hats were selling in record volume.

Because women's hats can be and are

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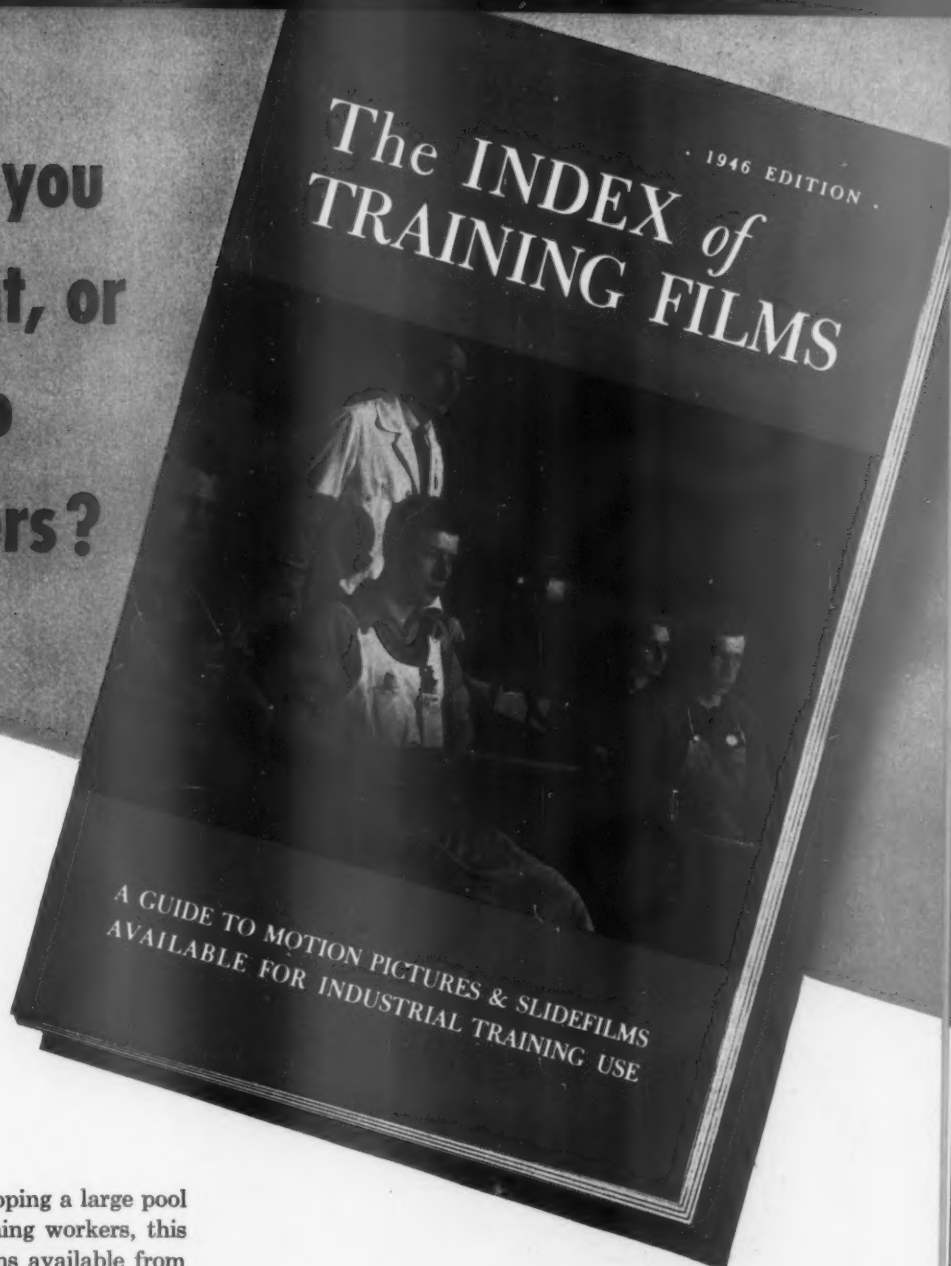
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**Where can you
borrow, rent, or
buy films to
train workers?**

**Here's the book
that will tell you.
It's new. It's free.
Write for a copy!**



IF YOU ARE INTERESTED in tapping a large pool of "ready-made" films for training workers, this book will help you. It lists films available from scores of manufacturers, film distributors, and government bureaus.

It classifies and describes more than 1700 outstanding training films. It lists films on ship-building, aviation, electronics, communications, and many other basic industries. It includes films on such special industrial skills as welding, tool dressing, drafting, and the use of precision measuring instruments.

The book tells you where to get all these interesting films . . . which are free . . . which can be rented or bought, and what they cost.

To get your free copy of "The Index of Training Films," mail the coupon to . . .

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Kodak

Look up

when you look for savings



Consider the skyscraper—large cubage on a small base. It points the way to better use—vertical use—of space in warehouses, in covered or open storage anywhere.

With *electric* industrial trucks, heavy loads can be tiered to the ceiling, safely and in a few seconds; any selected item can easily be made individually accessible. Pallet loads and skid loads, stacked neatly, make for good housekeeping and simplified inventory control.

Self-loading high-lift electric trucks, easily maneuverable in close quarters, pay for themselves in a few months, and frequently save the cost of a new building. More than 90% of the *electric* trucks sold in the past twenty years are still in service.

Copies of the MATERIAL-HANDLING HANDBOOK and of UNIT LOADS would help someone in your organization look up for savings.

THESE BOOKLETS ARE FREE



THE ELECTRIC INDUSTRIAL TRUCK ASSOCIATION

208 South La Salle Street, Chicago 4, Illinois

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made of almost anything, material shortages have given that trade few headaches. But higher labor and materials have sent prices to a new high, one-third above last year on the average. Felt hats, which almost vanished when Australian and British rabbit fur could not be imported, reappeared in fair quantity at the market. But still missing is the \$5 felt. Cheapest felts will retail at \$8.95 and \$10 this fall.

• **What's to Be Had**—Among the more plentiful items are woolens, cheaper rayons, rayon blouses to retail from \$4.95 up, children's cotton print dresses at \$3.95 and \$4.95 retail.

Still extremely scarce are all low-price lines, women's rayon slips, cotton knit underwear for both children and adults, men's and boys' shirts, pajamas, and hosiery.

Knitwear houses are hopeful that the demise of OPA's maximum average price order will increase output. The industry wants a 10% price increase, so that knitters can make underwear from the cotton yarns which now go into such better-profit items as T-shirts and polo shirts.

Federated Policy

Department store group, seeking improved management techniques, will use Houston unit as a proving ground.

Stockholders of Federated Department Stores, Inc., last week approved a two-for-one stock split and received double their usual 37½¢ quarterly dividend on the old stock. The company's directors promise to continue this increased return by paying 37½¢ on the split stock hereafter.

Such confidence in future earnings shows Federated's faith that the department store is still a valid and vigorous factor in distributing consumer goods—despite the inroads of corporate chains in both hard and soft lines, the competition of mail-order companies' retail stores, and the increasing decentralization of urban shopping.

• **Strictly a Federation**—Federated was incorporated in 1929 by the heads of three department stores—Wm. Filene's Sons Co. of Boston, Abraham & Straus, Inc., of Brooklyn, and The F. & R. Lazarus & Co. of Columbus, Ohio—who had known each other through 20 years of personal cooperation in Associated Merchandising Corp., a buying group. Their interest was in diversifying their investments through cross ownership of stock.

The group was (and still is) strictly a federation: Its officers were primarily officers of member companies, and

they swapped ideas and experiences only informally; central buying was done only through Associated, which includes 16 other stores which are not in Federated; and individual stores remained completely autonomous. In 1930 a controlling interest in Bloomingdale Bros., Inc., of New York was acquired.

• **Expansion Scheduled**—In the fiscal year ending Aug. 4, 1945, Abraham & Straus and Bloomingdale's each accounted for 22% of Federated's \$187,426,375 total sales; Filene's, 26%, and Lazarus (including its wholly owned subsidiary, the John Shillito Co., Cincinnati), 30%.

Foley Bros. Dry Goods Co. of Houston, which Federated purchased last year, is the only wholly owned Federated store, but it is scheduled to be the first of at least several such acquisitions which the corporation will make in its present expansion program.

Eighteen months ago Federated began to tighten its thinking and its organization in anticipation of a changing distribution pattern after the war. It created a Central Agency—a staff of experts on department store management headed by Fred Lazarus, Jr., who is president of both Federated and of Shillito's.

• **Objective**—The agency's function, as Lazarus sees it, is "to bring to the attention of each store's management factors which will increase sales, so that

each store may reach its own conclusions as to what it should do."

Theoretically the Central Agency is strictly an advisory group, and Lazarus emphasizes that it is up to each store's management to figure out how to maintain its present favorable sales position when conditions become less favorable. Practically, of course, the thinking of the majority could be enforced on recalcitrant members, if any, through Federated's ownership of their stock.

• **Watchful Uncle**—For the past two years Federated thinking has reflected that of Fred Lazarus, whose department store experience goes back to 1895 when, as a schoolboy, he worked Saturdays along with his three brothers in the original Lazarus store in Columbus. The business was begun in 1851 by his father and his uncle in a tiny store.

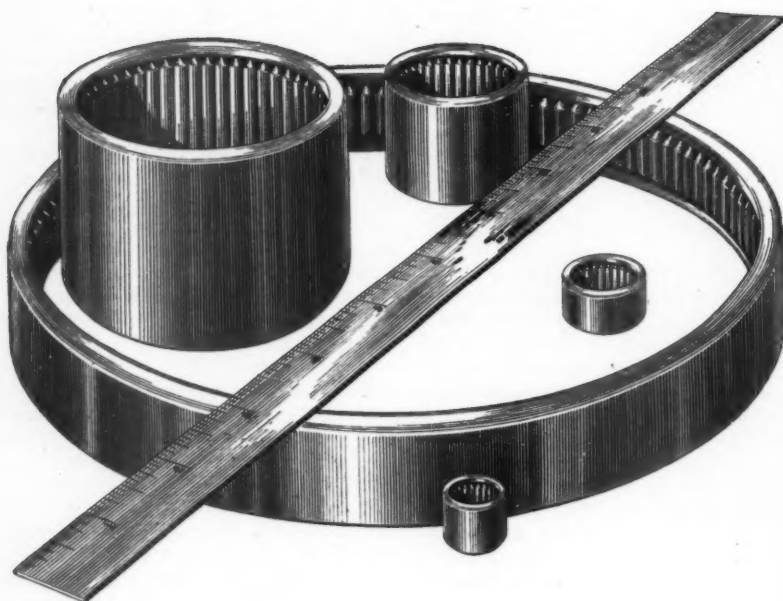
By the time Fred and his brothers were big enough to work Saturdays the store had grown to eleven ground-floor rooms, with connecting doors. The boys were set an object lesson in careful retail management by Uncle Ralph, whose office was an elevated cubbyhole in the center of the eleven rooms, with mirrors so arranged that by their chain reflection he could observe every part of the store from his perch and scramble down to look after unattended customers or reproach a dilatory clerk.

• **Rapid Growth**—By 1908 Fred and his brother Simon had taken over management of the store, and, with charac-



MODERN DESIGN ON THE RAILS

Crack streamliners with newly designed lounges and diners (above) gave new oomph last week to Pere Marquette Ry.'s Detroit-Grand Rapids run. Developed for P. M. and Chesapeake & Ohio by Pullman-Standard Car Mfg. Co., the diners have a diagonal seating arrangement—one passenger to a table side. Incidental tableware is kept on wall shelves. Girl waitresses brighten up the decor—but cheeriest note is the sign: No tipping (BW—Jun. 15'46, p38).



How Big should a Needle Bearing Be?

...Big enough to carry the load. But whatever the actual size required—the Torrington Needle Bearing is the most *compact* anti-friction bearing unit ever devised.

In relation to its radial load capacity it has the smallest O.D. of *any* comparable anti-friction unit—an important design advantage from the standpoint of space-savings and weight reduction.

Experience in hundreds of different applications has demonstrated the practical advantages of this high unit load capacity in terms of design improvement, increased operating efficiency, and manufacturing economy.

Ask our engineering department to translate these Needle Bearing features in terms of *your own design requirements*...to show you how *small* a bearing can be to give you all these advantages. Your inquiry involves no obligation.

THE TORRINGTON COMPANY

TORRINGTON, CONNECTICUT SOUTH BEND 21, INDIANA
Offices in All Principal Cities

TORRINGTON NEEDLE BEARINGS

teristic foresight, had built a five-story-and-basement building across the street even though their operation (about \$600,000 annual sales) was big enough to occupy only three floors of it. By 1914 they were occupying the entire store, had piece goods and dry goods, and sales reached \$1,000,000; by 1918 the figure was \$5,000,000. Hard goods were not added until 1926, when sales reached about \$8,000,000.

This year F. & R. Lazarus Co.'s sales will probably total \$40,000,000, and its nearest competitor in Columbus is its own basement store which is expected to do \$7,000,000 in sales. Sales of Shillito's, acquired in 1928, increased from \$4,200,000 to \$5,700,000 in the first year of Lazarus management; last year its sales were about \$28,000,000.

Out of all this experience Fred Lazarus has acquired some solid convictions about department stores, chiefly that, despite new and pressing competition from other types of retailing, the only thing wrong with a department store as a means of distributing consumer goods is the hidebound thinking of its management.

• **For Flexibility**—His basic premise is as simple as storekeeping in the day of Fred, Sr., and Uncle Ralph: that since the cost of doing business is fixed, the successful department storekeeper has only to take into the till each day something more than the fixed cost, even if business is not brisk enough to warrant asking the full, traditional department store markup. Department stores have, of course, moved in that direction by such events as January white sales and August fur sales; Fred Lazarus thinks they can, and must, carry this flexibility further.

The rub comes, then, in knowing the cost of moving goods through the store and in paring that cost. That is where the services of Federated's Central Agency come in. Its thinking, and the best thinking of all Federated officers, are going into the \$9,000,000 store which the corporation is now constructing in Houston and which, under Foley Bros. operation, will be a sort of proving ground for economical department store operation.

• **Target Pattern**—The store will have only six stories, but it is constructed to support eleven or twelve eventually.

The typical floor plan is in a target pattern, with escalators in the center of the store as the bull's eye; they are expected to carry 97% of store traffic. ("Our two elevators are for the lame, the halt, and the blind," says Lazarus.) Surrounding the escalators will be selling space, with merchandise grouped to facilitate shopping—all children's apparel in one department, or adjacent departments, for example. Behind this space, toward the outer wall of the building on all four sides, will be stock

rooms supplying the departments they adjoin and on the perimeter will be a corridor through which merchandise is hand-trucked to the proper department. Merchandise is received in an adjoining warehouse building, reaching the stock corridors by means of chutes, belts, and Wheeler lifts. Similar channels are used to speed outgoing merchandise to delivery trucks.

• **Circus Touch**—By these and other innovations in store design, Federated expects to reduce the cost of operation. But in meeting the postwar challenge to department store distribution it also counts on a less tangible factor. As Fred Lazarus puts it, "A department store can be all things to all people." Women, being gregarious by nature, like to shop where plenty of other people shop; the department store's variety and volume of merchandise have the charm of a perennial fair, with a circus touch added by its never-ending special events and promotions.

BEST LOSES NAME SUIT

Best & Co., Inc., New York specialty store, which has long labeled its infants' apparel shop by the trade name "Lilliputian Bazaar," last week lost a suit in which, charging unfair competition, it had attempted to restrain Miller's Lilliputian Shoppe of Stamford, Conn., from using the same name.

A U. S. district court decision held that the defendant's use of the words Miller and Shoppe distinguished its operation from Best's, and that there was no evidence that customers had made purchases at Miller's thinking they were products of Best's. The Stamford shop has used the name since 1930; Best & Co. opened its Stamford branch in 1942.

Best has announced that it will appeal the decision.

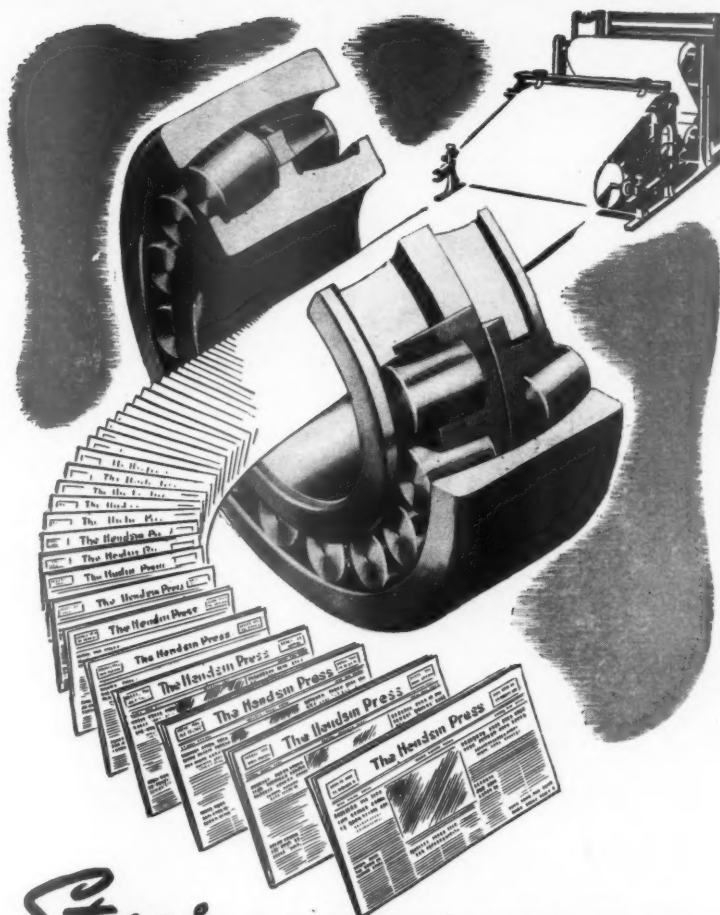
WLW RESUMES INDEX

Radio station WLW in Cincinnati, which has long made a sales point of its merchandising assistance, has resumed its commodity index by which it measures the flow of its sponsors' products through retail channels. The index was dropped during the war when merchandise scarcities made commodity sales a poor index of radio advertising's effectiveness.

The station has no immediate plans for extending its merchandising program to its new acquisition, station WINS in New York, planning first to spend "two or three" years building WINS' audience.

MOUNTAIN FOR SALE

Who wants to buy a mountain? Seven hundred acres atop scenic, 6,000-ft. Mt. Wilson in California are offered



Stepping up PAPER PRODUCTION

During a recent week the paper industry operated at a record peak of 104.1% of capacity, leading to estimates placing production of paper products at 18 million tons in 1946. This increase of 50% over 1929 is expected to be stepped up another 25% during the next five years, to meet an ever-growing demand for higher quality paper in greater quantity.

Playing an important part in this program, Torrington Bearings help to step up a consistently high production ratio, providing the smooth, trouble-free operation that assures maximum efficiency... contributing at the same time to substantial economies in power consumption and maintenance costs. In virtually every type of heavy-duty machinery used in paper manufacture—as in the steel, oil, construction and other industries—Torrington Bearings provide the high load capacity and long service life needed to meet the exacting demands of constant use.

Our engineering staff has specialized for years in the manufacture of bearings for many applications, routine or unusual. To design engineers and manufacturers Torrington's Bantam Bearings Division offers expert engineering assistance to help secure "stepped-up" equipment performance.

THE TORRINGTON COMPANY
SOUTH BEND 21, INDIANA • TORRINGTON, CONN.
Offices in All Principal Cities

TORRINGTON BEARINGS

SPHERICAL ROLLER • STRAIGHT ROLLER
TAPERED ROLLER • NEEDLE • BALL

for \$425,000 by the owners, Mr. and Mrs. Albert C. Childs. Principal selling point is television sites.

Fifty-five years ago Mrs. Childs' father acquired 1,400 acres of the mountaintop from the Southern Pacific Co., built the Mt. Wilson Hotel, and a toll road. The property now for sale has had a distinguished, if unprofitable, tenant in the Mt. Wilson Observatory, which since 1904 has held a lease on 15 acres for \$1 a year. Los Angeles County has offered \$360,000 for the property as a park site.

Two years ago television people came swarming up the mountain, the highest peak in the San Gabriel Mountains, east of Los Angeles (BW-Oct.28'44,p52). Two firms bought sites: Don Lee Broadcasting System, which renamed its 160 acres Mt. Lee, and Earle C. Anthony, whose site for station KFI is not yet developed. Columbia Broadcasting System has leased a site, not yet developed.

Other hopeful televisers have leased, or are negotiating for, less expensive sites lower down on national park land. Currently Federal Communications Commission hearings are being held for eight applicants for Los Angeles' seven television frequencies. They are Don Lee, Earle C. Anthony, NBC, ABC, KLAC, Los Angeles Times, Howard Hughes, and Television Productions. An FCC spokesman says the city may have commercial television within a year.

P. S.

The Fox Theater of Atlanta has opened a parking lot that ranks among the nation's biggest and fanciest. It covers land approximately equal to two city blocks, will accommodate 800 cars, and boasts its own theater-type marquee with neon letters.

Memphis (Tenn.) merchants are raising a Use Tax Defense Fund to fight any legal action that may arise from their refusal to pay use tax to Mississippi on sales delivered to Mississippians. They take the stand that the law does not apply to sales made by retailers who do not have solicitors in Mississippi, nor to wholesalers selling goods to merchants for resale.

Universal Match Corp., St. Louis, has acquired the Jacobs Candy Co. of New Orleans, manufacturers for 48 years of box candy and pralines. Universal already owns Schutter Candy Co. (Old Nick and Bit O' Honey bars) and Candy Bros. Manufacturing Co. (Red Cross cough drops).

Davison-Paxon Co., an R. H. Macy & Co. affiliate, has purchased land in Columbus, Ga., to build another branch store (BW-Jul.13'46,p59). Its other branches are in Macon and Augusta, Ga., and Columbia, S. C.

LABOR

Wage Increases Form Pattern

New 8¢-an-hour hike for textile workers quickly spreads throughout New England and Southeast. Negotiations in packing industry give another clew to trend developing in pay demands.

Management this-week was following closely negotiations between Chicago's Big Four of meat packing and the United Packinghouse Workers of America (C.I.O.) as an indication of how the nation's second major postwar wage increase trend may develop.

One important clew already has come from another C.I.O. unit, the Textile Workers Union of America, which has succeeded in establishing 8¢-an-hour increases in the cotton and rayon textile industry of New England and the Southeast. This alone might not set any national pattern of increases except in closely allied industries, but if the textile raises are followed by pay boosts in the packing houses, the influence is bound to be felt elsewhere in labor-management wage negotiations.

• **Annual Wage Demanded**—U.P.W.A. formally opened negotiations with Swift on Aug. 8, and next week meets with Armour, Wilson, and Cudahy. It has submitted to each a series of demands which include a guaranteed annual wage, a \$1-an-hour minimum rate, proportionate increases in higher job classifications, elimination of present geographical differentials, and a cost-of-living bonus pay plan (BW-Jul.6'46, p86).

Counterproposals from the Big Four have been rejected flatly by the union, which has protested that they offer nothing not in the present contract, and besides would eliminate all forms of union security now provided. As the union interprets the Big Four's initial proposals, maintenance of membership and the checkoff of union dues would have to be surrendered, overtime for hours worked in excess of eight a day would be eliminated, and wages would be frozen at present levels for one year. Maintenance of this position, the union warned last week, could only result in a strike.

In most quarters there was a conviction that the packers (at least temporarily exempt from OPA price ceilings) would retreat substantially to a compromise when serious bargaining begins.

• **Textile Gains**—Meanwhile, spreading acceptance of the textile workers' 8¢-an-hour wage gain raised that industry's minimum wage to 73¢ an hour, a far cry from 1937's figures of about 36¢ in

northern mills and 23¢ in the South. Twice in the past 17 months increases in the textile minimum (to 55¢ in February, 1945, and to 65¢ in October, 1945) resulted in upward revisions of minimum wage levels for all industrial workers.

Similarly, textile wage increases aided in sparking other union pay moves in 1945. Conceivably, they could again. Aggregate increases of 23¢ an hour in New England and 27¢ an hour in the South since February, 1945, are going to be compared with the 18½¢ considered standard for industry in general. Arguments that the textile industry is



FOR THE UPS AND DOWNS

Nomination by President Truman of Ewan Clague (above) to the controversial job of commissioner of the Bureau of Labor Statistics this week had the cautious approval of organized labor. The quick appraisal was that Clague, a professional statistician and a government economist for two decades, will do a professional and impartial job of working with such tricky figures as cost-of-living indexes. Clague has been director of the Social Security Board's Employment Security Bureau, once before was with BLS.



Ice Cream for Everybody AND INTERNATIONAL TRUCKS ARE ON THE JOB!

A BILLION gallons of delicious, healthful ice cream—twice as much as ever before—that's the ice cream industry's goal.

"Make mine vanilla!"—Yes, about half the new total will be America's favorite. About 170,000,000 gallons will be chocolate. An estimated 140,000,000 pounds of fruits will be used—including 60,000,000 pounds of strawberries. And 17,000,000 pounds of nuts.

America's ice cream is produced by more than 6,200 manufacturers—masters of flavor, blending and texture—masters, too, when it comes to delivering the creamy goodness of their freezers with all the smoothness, flavor and nourishment intact.

"Masters of Delivery!" That's where thousands of International Trucks play their part. And *how* they play their part!

These trucks perform so efficiently that for the last 15 years more heavy-duty Internationals have served American com-

merce and industry than any other make.

Built in all types and sizes—there is a rugged, dependable International to do the work—no matter what the job.

And when it comes to truck service, International provides the industry's outstanding facilities—available everywhere from International Branches and thousands of International Dealers.

Motor Truck Division

INTERNATIONAL HARVESTER COMPANY

180 North Michigan Avenue

Chicago 1, Illinois



Other International Harvester Products:
FARM POWER AND EQUIPMENT
INDUSTRIAL POWER . . . REFRIGERATION

Tune in "Harvest of Stars" every Sunday, NBC Network. See newspapers for time and station.



INTERNATIONAL Trucks

THE LABOR ANGLE

Watching

Farm mechanization is being watched closely by the National Farmers Union, independent labor organization of agricultural workers. Blunt-speaking James Patton, president of N.F.U., says it's no problem now because mechanization has not advanced far and farm labor is scarce, but eventually—when displacements begin to mount—the question of absorbing hundreds of thousands of farm workers into the industrial work force must be faced.

Neither Patton nor the N.F.U. opposes mechanization or wants to see it retarded. What they are pressing for is long-term planning on how the change from field to factory can best be made in the interests of all labor. The fact that Patton has been conferring to that end, not with government officials in Washington, but with industrial union leaders in farm states is significant.

Although the war drew many men and women from farms to industry, in predominantly agricultural sections, industrial and rural working groups still retain much of their former distrust for each other.

Patton contends that this situation must be cleared up or both industrial and farm workers may find that by feuding they have let many of their hard-won gains slip away. When industrialization of the South first began, workers recruited from farms and foothills formed a low-cost source of labor which cut under rates paid elsewhere in union plants.

Patton's warning to industrial union leaders has been that the same thing can happen again. One indication that his admonitions have been heard is the attention C.I.O. in particular has been paying to cementing relations with farmers, and to organizing small plants in rural sections in the course of its "Operation Dixie." Although the achievable numerical gains might not be worth the time and cost, ultimately victories might pay off in rural goodwill.

Protest

There was no surprise in labor relations circles when C.I.O.'s Retail, Wholesale & Department Store Union filed a state unfair labor practices complaint against R. H. Macy & Co., New York, after the store announced it would pay triple-time

wages to employees who disregarded picket lines during a strike of delivery workers (BW—Jul. 27 '46, p94).

Union officials, who started off by praising as precedent-setting Macy's agreement to pay lost wages to all employees who had respected picket lines, a few hours later were sharply critical of the equally precedent-setting possibilities of the premium-pay plan. Paying picket-line crossers would, they protested, "discourage membership in the union and . . . jeopardize its very existence."

Taboo

Warning to employers with sporting blood: Do not offer to bet that a union will not succeed in organizing your plant personnel.

The National Labor Relations Board recently held that the Sandy Hill Iron & Brass Works of Hudson Falls, N. Y., had interfered with an organizing drive by C.I.O.'s steelworkers union because, among other things, the boss offered to bet anyone \$50 that the union would not succeed. Considering it as part of a general campaign to discourage joining the union, the board decided that the wager offer, publicized among Sandy Hill workers, constituted a Wagner Act violation.

Veterans

Former servicemen employed in General Motors' Diesel Engine Division have been ruled eligible for unemployment allowances under the G.I. Bill of Rights for their idle periods during the G.M. strike last winter. Outcome of Detroit hearings conducted by Harry Slavin, a readjustment agent for the Veterans Administration, the decision (1) held that the United Auto Workers (C.I.O.) strike was not the actual cause of their idleness, and (2) supported indirectly U.A.W. arguments, publicized during the strike, that G.M. was in actuality profiting by the stoppage because of the tax refund law, and did not care whether it produced cars for sale under then-existent OPA ceilings.

Slavin's report blamed the veterans' idleness on "a shortage of materials . . . the corporation's dissatisfaction with the prices fixed by OPA, and the fact that the corporation was entitled to refunds of taxes for reduction of earnings."

a low-pay operation which C.I.O. is attempting to bring into line with the rest of industry may not save the C.I.O. leadership's current wage armistice policy (BW—Jul. 20 '46, p15).

• **Binding Award**—T.W.U.A. originally asked for a 12¢-hourly increase from New England mill operators. When management refused, the dispute involving 35,000 employees of 44 cotton and rayon mills went to arbitration under joint New Bedford and Fall River (Mass.) contracts.

Recently, Douglas V. Brown of Massachusetts Institute of Technology, the permanent arbitrator, handed down an award of 8¢ an hour more for New England workers, and set the new minimum wage at 73¢. The award was binding on both parties.

Negotiations immediately were opened with 36 other New England operators employing 30,000 more T.W.U.A. members, and the 8¢-hourly raise appeared certain to spread to these.

Nonunion employers in the section in the past have met automatically any raise given by organized mills.

• **Insurance Benefits**—Other provisions in the arbitration award included an insurance clause giving workers \$500 life insurance, dismemberment benefits, hospitalization up to 31 days at a time, increased sickness and accident benefits, surgical aid to a maximum of \$150.

T.W.U.A. followed up with a demand for a 12¢-hourly raise and insurance benefits for southern cotton mills. Within 48 hours operators of major unorganized plants, including the Cannon group whose 20,000 employees are a prime objective of T.W.U.A. in "Operation Dixie," announced they were meeting the 8¢-increase pattern set for New England. The large Cone Mills, Burlington Mills, and Carter Fabrics Corp., which employ 27,000 workers at Greensboro, N. C., and in other southern textile centers, also were prompt to give 8¢ raises and 73¢-hourly minimums. The 8¢ increase became general when the Cotton Manufacturers Assn. of Georgia advocated the raise for mills employing 100,000 in that state. Similar impetus was given by employers hiring 100,000 in the Carolinas. It spread to North Carolina hosiery mills this week.

• **Differential Maintained**—Organized mills that offered to pay workers 8¢ more in negotiations with T.W.U.A. found the union willing to accept that amount, although T.W.U.A. stipulated it was not giving up the fight for a full 12¢—due southern textile workers, says the union, because they do not have free group insurance coverage now provided by northern contracts.

T.W.U.A. said the quick willingness of employers of nonunion labor to give the 8¢ was due only to a desire to ward off plant organization. According to



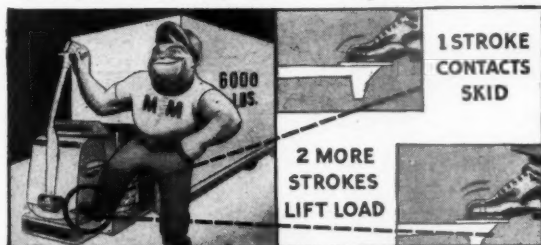
**BE SURE YOU SEE THE NEW
POSTWAR FEATURES OF THE
MIRACLE ELECTRIC TRUCK
THAT CUT MY HANDLING
COSTS \$24,480 00!**

Yes, you get more—much more in the amazing NEW POSTWAR TRANSPORTER—the miracle electric truck long famed for cutting handling costs in half and taking the work out of every material moving job.

Astounding new money, time and work saving features have been added. Developments that lift loads faster, move them easier, give longer life and greater efficiency to a unit already noted for energy-saving performance.

Get *all* the facts about the new 1946 Transporter before you decide on any motorized hand truck. Send coupon.

**1. New 3-Second Foot Pedal
3 Strokes and You Go!... Says Muscle Mike**



**Three Tons Move With Amazing
"Touch-of-your-Thumb" Ease**

The new 3-second Lift Pedal contains two pistons or cylinders, the high pressure (low speed) cylinder being housed inside the low pressure (high speed) piston. Both cylinders are actuated by the cam when the foot pedal is depressed. One easy stroke of the foot pedal quickly engages skid.



When load resistance is encountered, the fluid from the larger or low pressure cylinder by-passes back into the reservoir, and the high pressure cylinder is employed to raise the load.

So first stroke of the foot pedal engages the load, and two more strokes raise load sufficiently to move.

Transporter

A PRODUCT OF AUTOMATIC

Lightens
LIFE'S LOADS

2. New Safety Brake Action

Complete "dead-man" control is assured by a double shoe external contracting type larger diameter brake, which provides four to five times more braking effort. This gives you a Positive Mechanical Brake more efficient and safer the instant control handle is released to upright position.



3. Double-Pitch Reduction Chain Drive prolongs life of unit.

4. New Magnetic Contactor Utilizes Silver Alloy Tips to give ten times more life.

5. Carbon Brushes in Commutator Type Collector Ring Replace Copper Fingers to eliminate lubrication, increase wearing quality.



Simple Lubrication—Easy Adjustment

6. Easy To Get At Power Unit

Changes in design have been made, so that all parts of the power unit are easily accessible. The wiring system has been simplified, and component parts compactly placed where they can be reached easily for lubrication, adjustment and inspection.

Approved by Underwriters' Laboratories, Inc.

AUTOMATIC TRANSPORTATION COMPANY

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Please mail me without cost or obligation, complete facts about the NEW Postwar TRANSPORTER.

() Have an A.T.C. Specialist call and survey my material handling costs.

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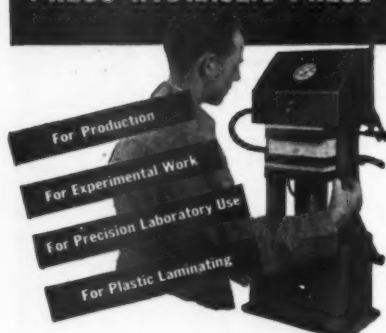
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PRECO HYDRAULIC PRESS



THESE fast-action Preco Presses are extensively used in laboratories for production and testing. Also for embossing, plastic and rubber molding, vulcanizing and diversified experimental work.

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**For the TOUGH jobs
in your plant . . .**

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Werner**



HYDRAULIC JACKS

- ★ lift heavy loads
- ★ move machinery
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- ★ have many other uses

Versatility is one of the big reasons why Hein-Werner Hydraulic Jacks are favorites for a wide variety of jobs in industrial plants. Applications in all industrial departments are practically unlimited.

Super-powerful, easy-operating, and absolutely dependable H-W Jacks are made in models of 3, 5, 8, 12, 20, 30 and 50 tons capacity . . . For details consult your nearest industrial supply dealer or write us.

HEIN-WERNER MOTOR PARTS CORP.
Waukegan, Wisconsin

T.W.U.A. it's a nice gesture to workers, but they will still choose C.I.O.

Aggregate increase in textile wages in the South is expected to be about \$64,000,000 annually. Acceptance of the 8¢ raise will maintain the 5.9¢ differential between New England and southeastern cotton-rayon textile workers reflected in recent (May, 1946) wage figures of the Dept. of Labor's Bureau of Labor Statistics. These placed the average hourly wage of New England cotton mill workers at 81.1¢, that in southeastern mills at 75.2¢, and in southwestern mills at 67.9¢.

Atomic Election

**Oak Ridge employees will
vote soon on bargaining agent.
Big plant is prime objective in
southern union campaign.**

Elections set for Aug. 20, 21, and 22 will decide whether Oak Ridge (Tenn.) atomic energy workers want A.F.L. or C.I.O. to represent them as collective bargaining agent at three major plants of the supersecret government project which now is turning into permanent

industrial community (BW—Aug. 3'46, p19).

• **Prime Objective**—At the same time, the National Labor Relations Board poll of an estimated 20,000 workers in Oak Ridge—delayed two years because of the security element involved—is expected to provide a first major test of the relative organizing strength of the two principal rivals in the current "Operation Dixie." Both A.F.L. and C.I.O. have made the Oak Ridge workers their prime objective for opening stages of their southern drives (BW—Jul. 20'46, p92).

NLRB last week considered the atomic election news of sufficient importance to justify a special announcement that it was scheduling polls, to be taken separately, in Oak Ridge's Monsanto Chemical Co., Tennessee Eastman Corp., and Carbide & Carbon Chemical Corp., and that it was assigning a special representative, Charles M. Brooks, to supervise the voting.

Ordinarily, consent elections are announced in weekly NLRB news releases, and are conducted by regional boards.

• **All Employees Eligible**—Votes will be cast for the A.F.L. Atomic Trades & Labor Council, the C.I.O. Atomic Workers Organizing Committee of the United Gas, Coke & Chemical Work-



TWO-DAY SPECIAL: FOOD FOR THOUGHT

Sidewalk squadrons of C.I.O. pickets protested rising restaurant prices last week by spooning out C rations before "representative" Manhattan eating places in the financial, garment, and dock districts, and on Broadway. Others carried lunchboxes to work in "Carry Your Lunch" demonstrations sponsored by the New York C.I.O. Buyers' Strike Committee. Most restaurant operators variously called the two-day protest a "joke" or a "gross injustice," argued price boosts only made up for higher labor and food costs. But some, watching usual noon-hour patronage dwindle, agreed to cut prices.

Why must sleeping car passengers put up with "rolling tenements"?

9 Out of Every 10 Sleeping Cars Now in Service Belong in Museums! What Can Be Done About It?

ANYONE who ever takes an overnight train trip owes it to himself to read these facts:

The average age of the 6,800 sleeping cars now in operation is almost 22 years. Nearly 25% of them were built before the first world war. (Would you expect a comfortable ride in an automobile built between 1910 and 1915?)

Compared to really modern sleepers, these old cars are as out of date as high button shoes! And to ride in these jittering tenements on wheels, 25 to 35 years of age, the traveler pays a premium fare. Is it any wonder railroads are losing business to the airways and the highways?

What's the Reason?

Don't think this situation is due to the war. It existed long before the war. Only 900 sleeping cars—a mere 13% of those now on the rails—were built in the last 16 years, and less than 9% are of modern lightweight design.

With over 6,000 new sleepers needed, only 764 had been ordered as of June 1. These were ordered in small lots of varied design by 25 big railroads for their own use. (More than 30 other roads that operate sleeper service did not have a single sleeping car on order!)

Not only does this piecemeal method of buying mean that the new cars will be ill-fitted for through service; it is one of the principal reasons why they will cost four times as much per pound to build as an automobile.

Since last September, the C & O has tried in vain to get other railroads to agree on sleepers of standardized designs and to place sufficient orders so that all railroads can gain the economies of mass production.



Our efforts have been given no encouragement. We are tired of waiting and so are the travelers we serve. Apparently, the only way the C & O can get modern sleepers is to have its own built!

We Will Wait No Longer!

We of the C & O lines will not sit by idly while our night passengers travel in outdated rolling tenements. We are now inviting bids from manufacturers on enough modern sleeping cars to replace every sleeper on our lines, with a substantial margin to spare.

We have taken this step, independently, with great reluctance. To supply our own sleeping equipment, it is necessary to buy not only enough cars to meet our routine requirements — but with no pool of modern equipment to call upon, we must also provide for seasonal and other peaks.

This is not the most economical way to secure modern sleeping car service. But,

as far as we can see, it is the only way open to us.

The C & O Repeats Its Offer!

The present situation is plain bad business. People want modern equipment. They have shown themselves eager to travel on the railroads that provide it. Even before the war, new lightweight streamliners were packed to capacity on routes where their old-fashioned predecessors had traveled half empty.

The demand for travel accommodations has never been greater than it is today. Yet ancient sleeping cars still clutter up the rails while the airways and highways shine with new models. It doesn't make sense!

The need is self-evident for an efficient, new sleeping car operating company which can and will buy modern cars competitively in quantity and service them economically. The past record of America's only sleeping car operating company offers little encouragement that it will fill these needs. We will gladly release all the new cars we purchase to any independently operated pool that will demonstrate an interest in making modern sleeping car equipment available to all railroads, at reasonable cost. If the other roads will do as much, it should be easily possible to attain this objective.

What roads will co-operate in this drive to give the traveler better service at lower cost?

The Chesapeake and Ohio Lines

Terminal Tower, Cleveland 1, Ohio
CHESAPEAKE AND OHIO RAILWAY
NICKEL PLATE ROAD
PERE MARQUETTE RAILWAY

NO MORE "Find-i-tis" Worries HERE!

*The inability to find what you have filed.

The pre-war installation pictured here is that of a well-known midwestern manufacturer who bought them together—G/W Steel Files and Safeguard Filing System. The saving effected has repaid them many times the original investment.



They go together...they bought them together



G/W Packaged SAFEGUARD Filing Outfits

Designed for immediate installation in any letter size file of 1, 2, 3, or 4 drawers, the Safeguard Outfit offers a prompt, effective cure for "Find-i-tis". Everything needed—guides, folders, instructions—comes in one handy package. For larger, or special requirements, ask your G/W dealer to make a survey.

G/W's Famous Feather-Touch FILING CABINETS

Smooth, easy operation, even when filled to capacity... and lasting, dependable service... are the result of quality materials, fine craftsmanship, superb engineering. No wonder G/W's precision-built Steel Filing Cabinets have always been first choice of discerning buyers!



Get Your FREE COPY Globe-Wernicke's "Find-i-tis" Booklet— You'll laugh and learn the easy way to file!

Packed with priceless information—yet amusingly written and illustrated. Makes filing easy, quick, accurate. **FREE** at your G/W dealer or write The Globe-Wernicke Co., Norwood, Cincinnati 12, Ohio. "Headquarters for Modern Office Engineering."



Globe - Wernicke

FILING EQUIPMENT AND SYSTEMS

Visible Record Systems
Office Furniture
Bookcases
Stationers' Supplies

ers, or neither. All production, processing, and maintenance workers—including cafeteria, laundry, and janitorial employees—are eligible.

An election at the plants was sought first by A.F.L. in 1944, and rejected for security reasons. Only recently, organizing curbs were eased. According to NLRB, the scheduled elections are "the final step in a long series of negotiations which required the utmost close cooperation of the Army, the companies, the unions, and the board's agent in order to afford the employees the privilege of voting and at the same time prevent the release of classified information."

Reuther Accuses

Labor-management meeting serves to publicize charge that auto companies strangle production to discredit labor.

Accusations of monopolistic domination of the auto industry were renewed this week by the United Auto Workers (C.I.O.) in the wake of a short and none-too-successful labor-management meeting which union president Walter Reuther had called ostensibly to study the industry's current production lag.

• **Refusals in Majority**—Reuther's invitation was extended to the presidents of all passenger car concerns, but only the president of Kaiser-Frazer attended. Studebaker and Willys-Overland were represented at the meeting by lesser spokesmen. Chrysler, Nash, and Packard replied that they would attend no industry-wide conference, but would sit down and talk with U.A.W. individually. General Motors and Ford sent more-or-less polite refusals.

At the meeting industry people listened to Reuther for a time, conceded that current supply shortages could not be traced entirely to strikes, and then adjourned.

• **Old Charges Renewed**—Reuther and his fellow conferees on U.A.W.'s side of the table—minority vice-presidents R. J. Thomas and Richard T. Leonard significantly were not present—expressed irritation at the disinterest shown in the meeting by the other auto companies, but it was easily apparent that (1) they had never expected any considerable attendance, and (2) they had not expected to work out any program for getting assembly lines moving faster.

They had succeeded in putting before the public the union's position that today's production problems involve far more than strikes. And they had provided effective window-dressing for Reuther's next step—a dusting off of old charges by U.A.W. that major auto producers have adopted "a deliberate

policy" of low production which, with the government "covering losses through tax refunds, could bring high prices and enormous profits once output got back to normal." Although Thomas and Leonard subsequently said they were not in sympathy with the Reuther meeting which Thomas described as interference with management's prerogatives, both echoed the charge that "industry is laying down" on auto production.

Monopoly charges filed with the Senate's Mead committee this week set the stage for more publicity by formalizing this position. There was little likelihood that the committee, currently otherwise occupied, would act. In his claims, Reuther took the stand that the industry was unable to get some materials, was hoarding and maldistributing others, and was taking advantage of the resulting confusion to put labor in a bad light.

• **Wary of a Trap**—Industry people stood by their letters rejecting the invitation to the meeting, in which they called attention to current strikes in supplies and parts plants as a prime cause of today's production slowdowns. But they made it plain privately that there were other reasons why they turned Reuther's bid down. They did not want to be trapped into a Reuther maneuver for an industry-wide contract campaign (one of U.A.W.'s top objectives) or possibly some other not-so-clearly anticipated program.

The production lag, meanwhile, was discussed strenuously this week in the U.A.W.'s quarterly board meeting in Detroit. Of prime concern were reports that many plants are working only four days a week.

• **Wilson Cites Strikes**—Auto manufacturers also were having something to say on the same subject. G.M.'s president C. E. Wilson complained that production was being hampered on July 29 by 54 parts suppliers' strikes, ten of them serious. Chrysler complained of 17 strikes continuing in supplies plants, and of 125 others which had hampered orderly reconversion.

CROSSER ACT IS COSTLY

Presidential signature of the Railroad Retirement & Railroad Unemployment (CROSSER) Act last week added to the financial headaches of the nation's railroads (page 66). Carriers estimate that the new law, which covers 1,500,000 employees, will increase operating costs another \$100,000,000 annually.

Bitterly opposed in Congress by railroad management, the act increases the Railroad Retirement Board levy of 3.75% of payroll from both employer and employee to 5.75%. It continues at the present 3% the levy on employers for the railroad unemployment insurance fund. Carriers had protested



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that their financial condition made impossible any increase in the retirement fund tax, and had asked reduction of the unemployment levy to one-half of 1%.

Passage of the bill climaxed a two-year fight by railroad brotherhoods and unions to expand their social security program.

The Crosser Act provides for monthly benefits (25% higher than those set by the Social Security Act) for widows, dependent children, or dependent parents. It increases disability benefits and eases eligibility requirements; provides for sickness pay; raises the minimum retirement benefit to \$50 a month for all except intermittent workers; and increases the period of unemployment benefits from 21 to 26 weeks, with two new and higher pay rates.

USES Still Potent

Federal service standards, which states must meet to get funds, are being drawn prior to employment agency's return.

Return of public employment offices to state control on Nov. 16 will not leave the federal government without a voice as to how those offices are run. The change will, instead, practically restore the federal-state cooperative arrangement which existed under the Wagner-Peyser Act before the war forced public employment facilities under federal operation in January, 1942.

• **USES Responsible**—This means the U. S. Employment Service, although relinquishing actual operation of the 1,720 local employment offices, will retain responsibility for assuring that they provide essential services, are operated efficiently and maintain reasonable standards. In addition, the G. I. Bill of Rights requires USES to maintain a special employment service for veterans, including job counseling and the handling of readjustment allowances when unemployed.

Recovery of the employment offices by the states seven and one-half months earlier than President Truman would have liked (BW-Dec.29'45,p100) was specified in the Labor Dept.'s appropriation for the 1947 fiscal year. Instead of matching administrative costs dollar for dollar, as was called for by the Wagner-Peyser Act adopted in 1933, federal funds raised through payroll taxes will cover all costs of administering the employment offices, providing the state meets the act's requirement that it maintain standards acceptable to the Secretary of Labor.

• **Bone of Contention**—Federal supervision, however, is more theoretical than



ALSO HUNG: SETTLEMENT

An effigy of Wylie Brown, head of Phelps Dodge Copper Products Corp., swung from an Elizabeth (N. J.) lamppost last week as striking C.I.O. electrical workers protested the shooting of a unionist in an amphibious battle between pickets and workers who were being shipped—literally—into the plant. After the flare-up, mediators persuaded the union to limit pickets, allow clerical workers to enter the plant; the company agreed not to produce goods, move in supplies. Then negotiations resumed on the point balking settlement of the eight-month strike: union shop.

real, as was pointed out by Secretary Lewis B. Schwellenbach when he made his unsuccessful appeal to Congress to permit the federal government to set up its own local offices when a state failed to meet expected standards. At present, the right to withhold federal funds means that the federal government must choose between an inadequate service or none at all, he said.

A principal bone of contention between the states and the federal government has been the definition of "suitable work" to be used by USES in determining whether a worker is entitled to unemployment compensation, which is paid by the state. USES standards, which may rule that a worker is unemployed if work is not available at his highest skill, or at prevailing wages, aren't always eye-to-eye with state unemployment compensation offi-

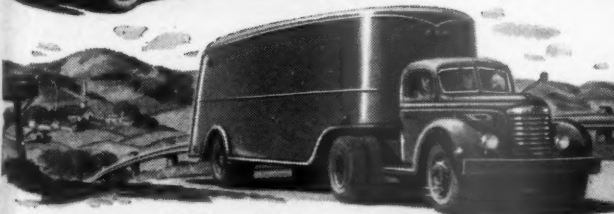
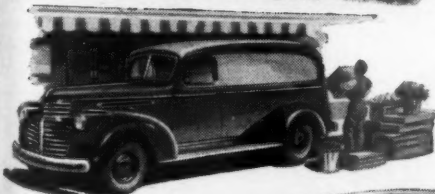
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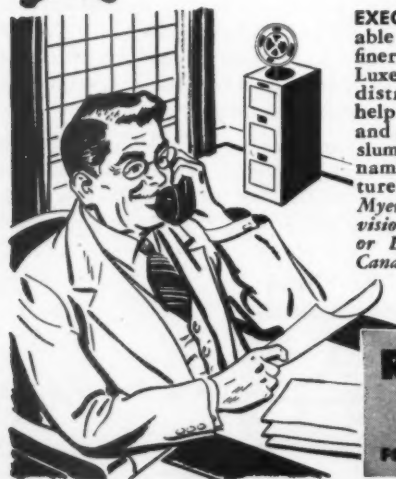
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cials' conception of what unemployment is.

• **Broad Standards Only**—Minimum standards which the states will be expected to meet will be announced before Nov. 16.

Robert C. Goodwin, USES director, intends to confine the standards to broad questions of policy.

• **\$68 Million to Spend**—The appropriation allows about \$68 million for the state and local offices for the full year, more than was spent last year. The national and twelve regional offices and the Veterans Employment Service will spend about \$6 million.

I.T.U. on Warpath

Printers' union is pressing for drastic upping of wages, and is asking newspaper publishers for other major concessions.

Newspaper publishers, who came off a poor second in their last test of strength against Woodruff Randolph's powerful International Typographical Union (A.F.L.) (BW—Aug. 25 '45, p10), are seriously concerned over the vigor with which I.T.U. is now pressing demands for contract changes including up to 75% increases in basic wages.

The pattern for 1946-47 demands has shown up clearly in negotiations so far in Rochester, N. Y., Washington, and Chicago. It includes raises in hourly wages to \$3 from scales now ranging between \$1.65 and \$2.08; reduction of the work-week to five six-hour days; severance pay; longer paid vacations (in Washington, at double pay); and a pension fund financed by management.

• **The Crusher**—Gannett newspapers in Rochester, the first forced into negotiations with I.T.U., were stunned by requests for \$100 to \$115 weekly pay in shops now paying \$58 to \$63 weekly. Rochester's Democrat & Chronicle and Times-Union also were asked to cut to a 30-hour week and pay for overtime at a rate of time-and-one-half for the first hour, double time thereafter. Management offered \$3 a day more (in line with current 18¢ hourly increases in other industries), but I.T.U. quickly turned down the proposal.

Four daily newspapers in the District of Columbia; the National Tribune published for veterans; and Labor, weekly publication of independent and A.F.L. railroad unions, next received demands which would raise printers' wages from \$64 a week to \$112 and at the same time reduce the work-week to an average of 30 hours.

• **Nonwage Demands**—Publishers also were asked to pay 2% of payroll into

the union treasury for a pension and mortuary fund, to replace contributions which union members now make. Severance pay for ten days was demanded for each year of employment, and an increase in paid holidays and the double-time vacation capped important contract demands.

Washington demands were made by the Columbia Typographical Union, which was founded in 1815 and in that year signed its first contract calling for \$9 for an 84-hour work-week.

Chicago demands, made to newspapers (which now have the highest I.T.U. scale in the country) and commercial printers, included a raise from \$2.08 an hour to \$3.02, a 30-hour week, up to 30 weeks' severance pay, double time for overtime work, and longer vacations. The Chicago I.T.U. has notified employers, however, that because of present cost-of-living uncertainty it will sign contracts only on a 30-day basis.

• **Rivalry**—I.T.U., which recently reported that members' wages have risen 25% since 1941, has made it clear that similar demands are going to be made on other publishers. Generally, demands so far are viewed as primarily intended to initiate collective bargaining, but few publishers expect I.T.U. to engage in any broad retreat.

I.T.U. for years held a differential in pay over newspaper editorial workers, many of them now members of C.I.O.'s American Newspaper Guild. Today, that differential has been narrowed sharply. In addition, the Guild has won such benefits as severance pay, jealously regarded by the A.F.L. printers.

At a recent Scranton (Pa.) convention, the Guild set a new high goal for 1946-47 contracts, a \$100-a-week minimum for experienced newspapermen. The union has set a wage conference in St. Louis for Sept. 7-8 to formulate definite demands, expected to be made first against the Washington Times-Herald.

WORKERS WIN BACK PAY

Five hundred members of the American Federation of Hosiery Workers, an affiliate of C.I.O.'s Textile Workers Union, will share \$500,000 in back pay (averaging \$950 each, with the top award \$3,950) in final settlement of National Labor Relations Act charges against the Berkshire Knitting Mills, Reading, Pa.

After a court fight through the U. S. Supreme Court against NLRB's right to order strikers reinstated to jobs, the company last week had a court order to pay strikers for wages lost between when they asked to return to work (in late 1937) and when they were recalled (July, 1944). Offset against pay due from Berkshire is each claimant's earnings during the seven-year period.



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THE INTERNATIONAL OUTLOOK

BUSINESS WEEK

AUGUST 10, 1946



Business repercussions from the rapidly developing economic drives of the two great power blocs—Russia and the western nations—are beginning to assume important proportions.

In the U.S.S.R., Kremlin officials are openly maintaining a vast army, despite the fact the country will be completely unable for some time to provide sufficient armaments for a showdown battle with any major power.

However, watch the distribution of these troops along the borders of the U.S.S.R. where strategic maneuvering is already under way—in Korea, Manchuria, Sinkiang, Afghanistan, Iran, Iraq, and Turkey.

A few well-trained Russian troops may suddenly turn up in any of these border areas to "maintain order."

Or, the threat of action by massed Russian forces might quickly settle a troublesome local dispute.

In the Far East, Russia has taken a firm stand.

Whatever the criticisms by the Pauley mission, look for no return of any machinery to the stripped Manchurian plants unless Moscow finds that by returning it the Chinese can be made to produce reparations goods somehow chargeable to Japan.

Nor can American manufacturers look for the return of former trading concessions in Manchuria.

Almost certainly the ultimate Chinese government of that region will develop the same kind of Russo-Chinese trading companies that Moscow is sponsoring with the countries along Russia's European borders.

The pattern of trading with Manchuria may yet be set in Poland or Romania—particularly if continuing civil war in China gives the Russians a pretext to remain in Manchuria to maintain order.

Watch the Middle East for more subtle Soviet maneuvering.

In Afghanistan (back door to India), Moscow is staging an adroit and peaceful drive to win the friendship of the Afghans.

Instead of sending military missions, the Kremlin has dispatched carefully selected cultural missions, well-trained engineers, and small enough diplomatic missions to avoid arousing Afghan—or world—suspicions.

In Iran, Moscow's drive for prestige already is dangerously aggressive.

Following the Azerbaijan episode of last winter (which has greatly improved Russia's strategic position), the U.S.S.R. has actively launched a trade drive in all of Iran.

Using Teheran, where a large Russian community is well entrenched, Russian movies are familiar, and the Russian language fairly widely understood, shrewd Soviet trade missions are offering bazaar goods at prices below the market, and pushing advertising stunts peculiarly fitted to the temperament and tastes of the local population.

Farther south, in the rich Anglo-Iranian Oil Co. concession area, Moscow is blamed for encouraging labor trouble among the native workers in the oil fields and refineries.

If reports reaching Anglo-Iranian officials are true, local Persians may

THE INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK

AUGUST 10, 1946

already be successfully undermining the British in Iran and forcing:

- (1) A rewriting of existing contracts on terms far more favorable to Iran.
- (2) Eventual ousting of the British except as technical experts.

While sober London opinion writes down the immediate scare, diplomats are known to be watching the situation nervously.

Americans, with a huge investment in oil across the Persian Gulf in Kuwait and Saudi Arabia, know they must take their cues from what ultimately happens in Iran.

Soviet tactics are proving far less successful in certain other areas.

In Germany, the Russians have run into a stone wall in their effort to block unified action by the western powers.

Aware that Moscow is stalling in the belief that resultant economic disorder works in Russia's favor, Sec. James F. Byrnes is relentlessly pushing his plan for unifying the rest of Germany.

You can expect a stepup in coordination plans in the next six weeks, and a speedup of production in western Germany this winter.

In Latin America, Russian buying is making small progress in spite of the increased number of Soviet buying missions.

Argentina, despite fanfare in reviving diplomatic relations with Russia, has refused any large business with Moscow.

In Brazil, Russian agents failed to reach an agreement for the purchase of coffee, though ultimately Moscow arranged a deal through Washington to get 25,000 bags from Brazil, and 90,000 from Colombia.

In Chile, a Russian mission is proposing a swap of Russian metals and machinery for Chilean copper and nitrate. So far, nothing has happened.

Russian emphasis everywhere is on buying, not selling, and in the present sellers' market this leaves the U.S.S.R. at a disadvantage.

Despite the desirability, from Washington's point of view, of speed in unfreezing sterling around the world, no signs are yet visible that London intends to rush the job.

Instead, insiders now look for relative inaction for the next eight months while the Bretton Woods organization gets into operation and world trade plans are surveyed at preliminary conferences.

Furthermore, where U. S. officials are eager to start the monetary thaw in India, that's just the place the British don't want to start, because they know that to unfreeze India now would send a lot of Indian buying this way.

Britain hopes that, if the thaw is delayed long enough, it can hold the trade for itself by having forced initial orders to go to British factories.

How well London is maneuvering along these lines became evident this week when the industrially powerful Birla interests of India placed orders totaling more than \$16 million with British manufacturers of machine tools.

Bulk of the equipment is to go into plants which, operated in conjunction with Nuffield motors of Britain, will produce the Hindustan 10 automobile.

Only last year, Indian industrial leaders—including Birla—spent several months in Detroit and South Bend studying U. S. automobile production methods which they hoped to introduce in India.

BUSINESS ABROAD

Brazil Attacks Price Spiral

Profits are limited and ceilings set on staple items in an effort to curb inflation. Tax on realty transfers, designed to halt speculation, draws vigorous protest in rural areas.

SAO PAULO—Brazil has launched a campaign to put an end to the wildly escalating price spiral which threatens to upset the country's economy.

In two dramatic moves, the Dutra government has: (1) imposed price ceilings on a long line of essential items, and limited profits of wholesalers and retailers; and (2) levied a tax on real estate transfers, in order to curb speculation.

• **Housewives Protest**—Brazilian consumers are watching closely the result of the tug of war over prices (especially foodstuff prices) which is being waged between the government and business. Many people predicted, when Brazil's new price control law was adopted, that it would fail just as had the previous one.

Adoption of the control was hastened by the petitions for price increases which were received from numerous trade sectors. No less than 17 price increases were asked for just before the new control was instituted, and these would affect many staple articles such as utility cotton goods, footwear, matches, tobacco, soap, bread, veal, beans, rice, vegetables, and manioc meal. Landlords also were pressing for an increase in rents.

Housewives in Sao Paulo paraded before the state governor and demanded an end to queues for foodstuffs, of black markets, and sought adoption of practical measures that would help to mitigate the effects of inflation on low-income families.

• **Limits on Profits**—Besides fixing ceiling prices for most staple articles, the new control limited the profits of wholesalers and retailers on a sliding scale. The immediate reactions of traders were to cancel 80% of their up-country orders for foodstuffs; to tell customers that the official price list applied to articles inferior in quality to their own stocks which could only be sold above the ceilings; to tell the government that the profit margins allowed were ridiculous and would not cover overhead, would bring traders to ruin, and involve dismissal of employees; and then to demand a minimum profit of 23% on turnover. As a result of traders' tactics, the city of Rio, the largest consuming center in the country, found itself faced with a short-

age of many staple foodstuffs, including lard, jerked beef, manioc meal, vegetables.

The government was forced to take steps to reassure consumers by authorizing the army to buy foodstuffs wholesale up-country, for sale subsequently direct to retailers or in public fairs; commandeering local stocks of foodstuffs which were in short supply; using official trucks to transport foodstuffs; using army depots for storing foodstuffs; and providing special credit facilities for producers of foodstuffs.

• **The Supplies Improve**—The result of these measures was a considerable improvement in the local supply situation. Rio has now a two months' rice stock; jerked beef and manioc meal which were previously unobtainable are now much easier to buy; lard, though scarce, is

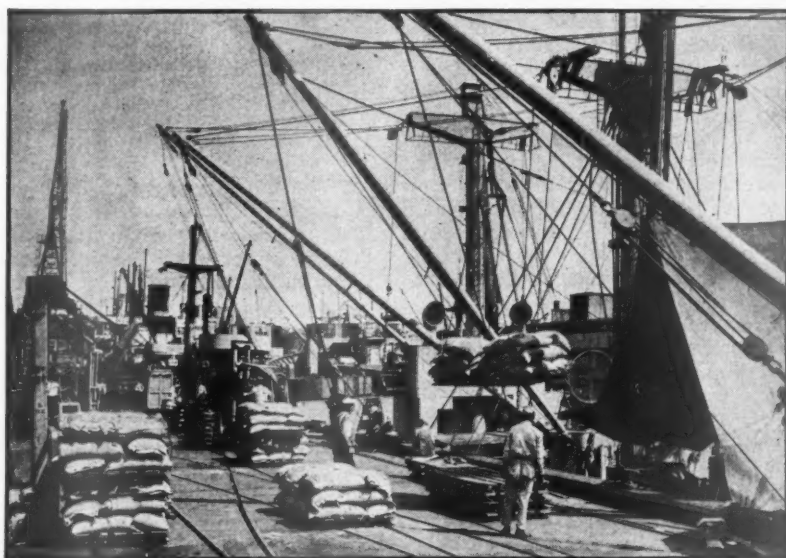
shortly to be received in large quantities from Rio Grande do Sul; owing to a bumper sugar crop in Rio State it is expected that the sugar ration will be lifted shortly; a shipment of trucks has been seized by the government for allocation to essential users.

The attitude of traders has changed from the offensive to the defensive. In a recent speech the president of the Rio Commercial Assn. advised business to adopt a "spirit of renunciation" and to discourage fellow members who were out to make excessive profits.

• **Tax on Realty Sales**—The other (and somewhat novel) anti-inflationary measure is an 8% tax on profits from the sale of property.

The following deductions are permitted: (1) amount of the transfer tax originally paid by the seller when purchasing the property; (2) cost of improvements to the property and interest paid on loans that were raised for this specific purpose; (3) commissions paid to third parties in connection with sale of the property.

In addition, sellers are allowed to deduct certain percentages of their profit on a sliding scale, according to the period which has elapsed since they bought the property: 2% if the property was purchased within two years of resale; 5% above two years but not exceeding five years; 10% above five



TO ALLEVIATE THE HUNGER OF THE VANQUISHED

American rice being loaded at Seattle for shipment to Japan presents a coal-to-Newcastle anomaly of the war's aftermath. But even ex-enemy nations know hunger, and Japanese exports are now earmarked to pay for essential food imports from the United States. There are signs today, however, that the peak of American food shipments will be passed next month, and that with rising production elsewhere in the world, a return to the prewar food-export pattern may be expected next year. There is likely to be a temporary grain surplus in 1947, if current estimates of production prove accurate.

years but not exceeding ten years; 15% above ten years.

• **Aimed to Curb Speculation**—Chief object of the new tax is to curb the rampant speculation in real estate which has been so conspicuous since wartime inflation began to upset Brazilian economy. Adoption of similar tax for revenue raising purposes, though on a much steeper scale, was studied many years ago in England, but the idea was abandoned because of the numerous difficulties that were anticipated. Australia's wartime real estate controls had certain points of similarity (BW—Jun. 16/45, p116).

Whether the new tax in Brazil will really achieve its aim is open to doubt, since it is fixed at too low a figure to deter speculators. Critics of the tax allege also that it has come too late to affect the property market, as the real estate boom reached its peak some months ago and is already on the decline.

Real estate dealers in the federal capital complain that the tax will prove a serious deterrent to legitimate deals, because it will lead to even greater delays in property transfers, which now take at least six months owing to the numerous formalities that it is necessary to go through.

• **Rural Areas Protest**—Farming interests in particular object to the tax because it is difficult to arrive at a figure of profit on the sale of rural property which has been in the family for generations, or to prove the cost of rural improvements effected over a period of many years.

The Brazilian Rural Society, which represents strong farming interests, has accordingly petitioned the federal government (1) to suspend execution of the tax decree for 60 days, and (2) to grant exemption from the tax for all farm property of rural producers. The president of the Property Exchange has asked the government to suspend collection of the tax on the grounds that it will aggravate the housing shortage by interfering with property sales, and has suggested the alternative, in case financial requirements necessitate maintaining the tax, that it should be applied only to sales of property effected after the decree was passed and that sales in course of being effected or made as a result of options given before the decree should be exempt.

If the government is successful in pulling the inflationary spiral into a tailspin by these concerted measures, it will have done much to mitigate economic distress among lower-paid wage earners, to call a halt to rampant profiteering and real estate speculation which have gone unchecked for five years. This will also tend to deter the advance of Communism among the underfed and underclothed masses.



RELIEF RETURNS FROM A HANDFUL OF GRAIN

A Quaker miller's six-year experiment in tithing has netted an abundant wheat harvest (above) for Europe's hungry. In 1940, Perry Hayden of Tecumseh, Mich., planted 360 "dynamic kernels"; each year he gave the church a tithe of the crop, replanted the rest. This year's planting—parceled out among 250 farmers—brought in 65,000 bu., of which 3,200 are earmarked for overseas.

Movie Magazine

Still expanding, the Rank producing organization offers a monthly current events film similar to U. S. March of Time.

LONDON—Stealing the lead again in the British movie world, J. Arthur Rank is launching a monthly film "news-magazine" called *This Modern Age* as the first of four projects intended to exploit the full possibilities of movie shorts both in the foreign market and at home.

This Modern Age will be a two-reeler dealing with subjects of current interest, as does *The March of Time*. The first three films—covering Scotland Yard, housing, and the challenge of synthetic textiles—are expected soon.

• **Spot Shooting**—Camera units are at work in many parts of the world—the Dardanelles, Palestine, the Antarctic, the Ruhr, the Sudan, Ceylon, South Africa, and Czechoslovakia—not infrequently stubbing their toes on *March of Time* tripods. The international chain of Rank offices greatly facilitates acquisition of necessary film footage, but shortage of cameras and other essential equipment is slowing down the production schedule.

Capital of the new company is purely nominal, since operations are being financed by Rank's central finance com-

pany, Production Films Facilities, Ltd. • **Prestige Items**—Producer is Sergei Nolbandov, a White Russian taken over from the British Ministry of Information, and associate producer is Australian-born Iven Smith, formerly director of the British Broadcasting Corp.'s Pacific service.

The three additional shorts planned for monthly issue are still in the embryo stage. They include a popular scientific series, a purely informational series, and a "truth is stranger than fiction" series. These projects, like *This Modern Age*, will probably contribute more in prestige than profits. Their success will depend largely upon whether British movie houses drop the double bill in favor of a single feature supported by shorts.

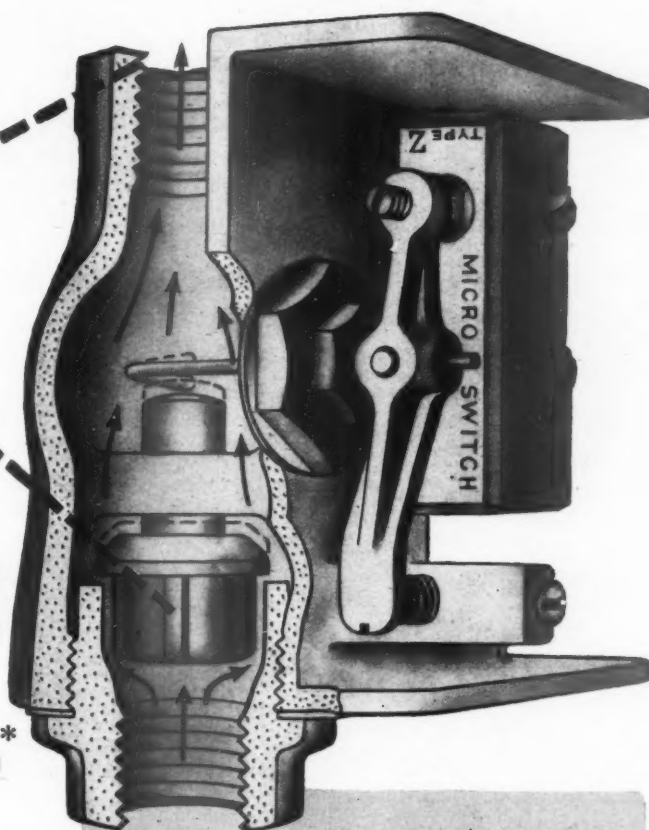
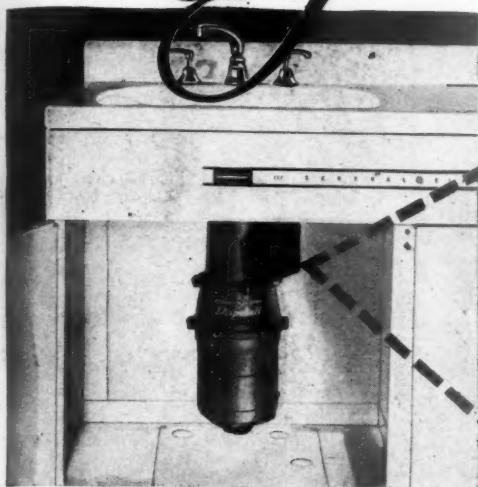
• **Opposition**—The British exhibitors' association is opposed to any such change, and the independent producers count on the second feature for their livelihood. Hollywood will also fight the change, but Rank is a power in the exhibitors' world as well as the producers', and insiders doubt that this new venture is much of a gamble.

MEXICAN AUTO IN 1947

MEXICO, D. F.—The manufacture of automobiles in Mexico by a 100% Mexican corporation will become a reality sometime in 1947.

Plans to be announced next month are backed by the powerful government oil trust, *Petroleos Mexicanos*, and cap-

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ital is to be subscribed by wealthy industrialists, some of them holding high official positions.

The plant will turn out 300 units monthly at the start, mainly small cars and trucks with the name "Anahuac." Engine-design is inspired by the Hispano-Suiza motor, refined by a former engineer of that company, Senor Cardenas, who is now in Mexico, and who will head the new auto plant's technical staff.

Machine tools for the plant are on order with Maag & Co., Switzerland. Cars and trucks will be expensive but built for long, hard usage. Production of the automobiles will fall far below national needs.

TRANSPORT PROGRAM

RIO DE JANEIRO—To break the war-created transportation bottleneck, Brazil has drafted a \$200,000,000 five-year modernization program for rail, road, and river transport. U. S. firms have promised to deliver their share by the end of 1948.

Orders will include 110 locomotives, 7,000 freight cars, 42,000 tons of rails, 2,500 tons of bridge materials, 220 pieces of earth-moving equipment, 130 tractors, 260 port cranes, nine small passenger-cargo vessels, 50 barges, and five tugs, and \$2,000,000 of communications materials.

BRISTOL TO BUILD AUTO

A newcomer to the British automobile industry was revealed recently in announcement by the Bristol Aeroplane Co., aircraft and engine manufacturer, that it had acquired a majority interest in A.F.N., Ltd., a private concern hold-

ing British manufacturing rights to a British-type auto produced in small quantities prewar in Munich. A.F.N. officials said plans are well advanced for production of sports and touring cars, mainly for export, with a goal of 5,000 units set for the first year after tooling-up is completed.

CANADA

To Test Formula

Rand plan for settlement of strikes gets union O. K. in steel dispute, but wage issue must also be resolved.

OTTAWA—Outcome of Canada's basic steel strike now appears likely to determine whether the "Rand formula," on which the prolonged Ford motor strike at Windsor was settled earlier this year (BW—Feb. 9 '46, p. 70), is going to become a general pattern for union security throughout the Dominion.

An offer by the union to settle for the Rand formula put the issue squarely up to the three companies concerned, Algoma Steel Corp., Sault Ste. Marie; Dominion Steel & Coal Corp., Sydney, N. S.; and Steel Co. of Canada, Hamilton. However, there are wage issues (not covered by the formula) to be resolved before the striking members of the United Steelworkers of America (C.I.O.) go back to their jobs in the three plants, issues which raise the



HANDS ACROSS A COUPLE OF BORDERS

Anxious for business and tourists, Canada's Dept. of Trade & Commerce is sending attention-getting window displays (above) to Latin American cities. Initial displays have been placed in windows of the Brazilian Traction Co. in Rio de Janeiro and Sao Paulo, will be changed frequently to present highlights of Canadian industry, trade, cultural, and recreational activities.

whole question of the maintenance of Canadian price control.

• **Provisions of Formula**—The Rand formula was the brainchild of Justice Ivan Rand of the Supreme Court of Canada, arbitrator in the Ford dispute which turned on union security only. Its main points are:

(1) All employees must pay dues on the checkoff system to the union, whether members or not;

(2) All employees must have a vote on the calling of any strike, whether union members or not;

(3) The union will repudiate any unauthorized work stoppage within 72 hours, under penalty of suspension of checkoff privileges;

(4) Any employee participating in an unauthorized work stoppage is liable to a penalty of \$3 per day plus loss of seniority.

• **Solution Favored**—When Charles H. Millard, Canadian vice-president of the union, put the proposal to accept a solution based on the Rand formula before a parliamentary committee investigating the strike last week, committee members seemed to favor it.

The attitude of the companies was unknown, except that President Hilton of Selco was on record as saying there would be a riot in the plant if the Rand formula were applied at Hamilton. It appeared clear there would be difficulties in applying it at Selco where some 2,000 nonunionists are working and sleeping in the plant and where bitterness prevails between union and nonunion workers. At the other two plants the union membership approaches the strength of the working force and the strike is 100% effective.

• **First Positive Action**—This week the committee ordered union officials and the companies to get into a room together and settle the strike. It was the first positive action taken to bring the parties together since the committee in effect took over from the Labor Dept. after the strike was called in defiance of a government order seizing the plants and directing all workers to carry on.

Prices Board Chairman Donald Gordon's prediction that granting the union's wage demands for a 19¢-per-hour increase would upset price control elicited a union compromise. Millard modified union demands to a 10¢ increase retroactive to Apr. 1; an additional 5½¢ by the end of the year in two stages; after Jan. 1, 1947, an increase of 1¢ per hour for each point the cost-of-living index rises.

Back of the official approach to the strike are two factors: (1) A long tie-up in steel will put the whole Canadian economy into low gear and aggravate shortages; (2) any settlement made, either on union security or on wages, is likely to be a pattern across the industrial picture.

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THE MARKETS (FINANCE SECTION—PAGE 64)

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	171.9	170.9	177.5	139.8
Railroad	60.2	60.5	64.9	53.8
Utility	90.1	89.2	91.7	69.4
Bonds				
Industrial	123.2	122.6	123.7	122.3
Railroad	117.8	118.1	118.8	115.0
Utility	115.2	115.2	115.5	115.4

Data: Standard & Poor's Corp.

Trading Dull, Changes Small

After eight consecutive trading sessions that produced rising prices, most investors and traders returned from their week-end haunts to Wall Street this week with a suddenly developed yen for the sidelines and a general reluctance to enter any new buying orders for stocks.

Monday and Tuesday thus saw the stock market pretty much left to fend for itself. Profit-taking soon got under way, and prices started drifting down. By the close of Tuesday's New York Stock Exchange proceedings, many issues were selling well under the levels they held when trading ceased last week.

• **No Real Pressure**—However, just as was the case when the market was previously advancing so consistently, trading volumes remained well under the 1,000,000-share mark. No real selling pressure was noticeable, and many of the sharper drops were caused primarily by thin markets.

As a result, bids began to be more plentiful soon after trading started on Wednesday. The market likewise proved as thin on the upside as it had earlier been when selling orders were dominating trading, and before the closing gong was struck, a fair rally was in progress.

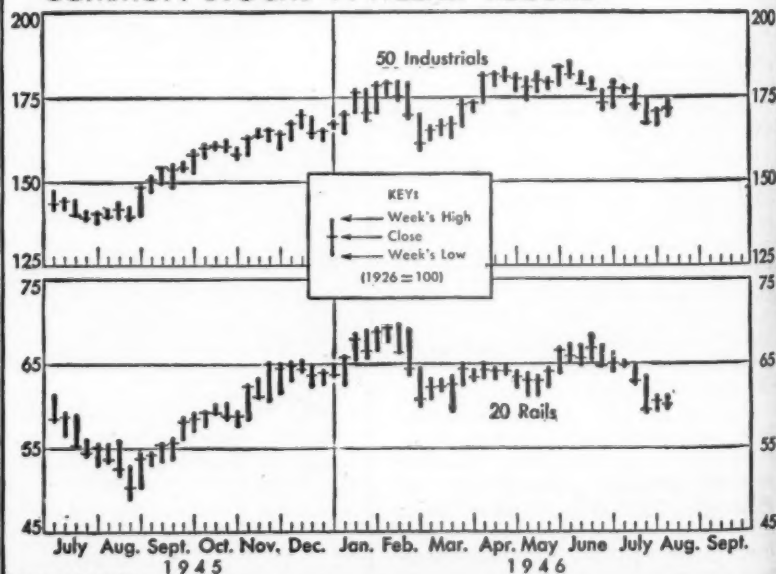
Spearheading the Wednesday advance were many pivotal stocks. Particularly to the fore were the steel issues, with U. S. Steel and Bethlehem showing gains of up to \$2.

• **More Highs Than Lows**—Only some 20% of the different issues changing hands that day showed minus signs when trading had closed. Trading volume rose as prices advanced, and more new 1946 highs than lows were recorded, an unusual sight lately.

Wall Street attributes much of the buying over the last two weeks to such factors as the adjournment of Congress, a growing belief that subsequent 1946 earnings of the heavy industry group will be substantially better than earlier results; improvement in sentiment due to recent favorable dividend news; a feeling that selling has been overdone in the case of many stocks; and reports indicating noticeable improvement in the new issues market.

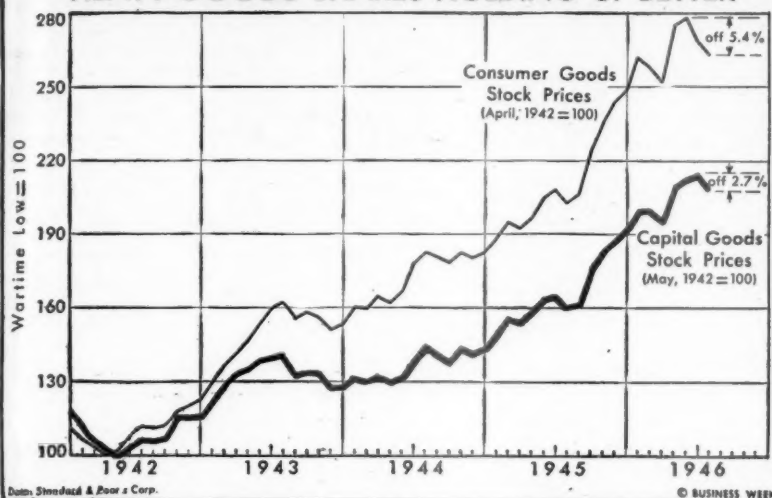
• **Not All Are Bullish**—Not all Street market seers, however, have turned suddenly bullish. Some may have lately come to believe that the July lows should hold for some time to come, but most brokerage quarters are still advocating cautious investment policies and are not yet certain that the recent

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

HEAVY GOODS SHARES HOLDING UP BETTER



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"secondary" reaction has run its course. One well-known market prognosticator, who won much fame for correctly forecasting the end of the 1937 boom, even goes so far as to state flatly that the bull market ended last May.

Indicative of the conflicting signals that add to traders' wariness is the behavior of the bond market. Governments have been continuing a gentle recovery trend despite the fact that every street corner has a new crop of rumors of impending Treasury action that might affect demand or interest rates. Trading and prices in industrials have been following stocks, pointing at least to the lack of a conviction that wild inflation is almost upon us. But the seesawing of governments reflects the uncertainty and deep concern over money rates.

Old Order Changing?

Despite the prominent wartime role of the capital goods industries (the producers of steel, machinery and equipment, chemicals, etc.), and that group's key position in the current business picture, no stocks of such companies are yet entitled to rank among the 1942-47 bull market's star price performers.

The real high-fliers to date have mainly been recruited from the consumer goods group. Sensational, in fact, have been the showings of such members of that section of the stock list as the motion picture, liquor, department store, and drug shares. Other issues in the same category have also revealed better-than-average bull market price action.

• **Contrast**—As a result, when Standard & Poor's consumer goods weekly stock price index registered its current bull market high last May, it not only had reached a level 178% above its 1942 wartime low but was also actually 31%

higher than its 1937 peak. S. & P.'s capital goods price average, on the other hand, cannot yet boast of a maximum bull market rise of more than 115%. And its 1942-46 high fell short of its 1937 peak by more than 7%.

This, however, is historically correct bull market procedure (BW—Jan. 26 '46, p115). It is normal for the consumer goods stock to perform much more sensationally for quite some time. Almost invariably the capital goods shares have reserved their biggest upward jumps for the late stages of an extended swing of prices to higher levels.

• **Picture Is Changing**—Whether that stage of the current bull move finally has been reached, as certain Wall Street quarters insist, still remains to be proved. However, some factors now discernible in the over-all picture definitely support such beliefs. (Much so-called "smart money" has lately been moving out of consumer goods shares into selective lists of the heavy goods stocks.)

S. & P.'s consumer goods index, for example, is now only 29% above its July, 1945, level as against the 31% rise noticeable in the capital goods average. And the consumer goods index is only 2% above its March "Bowles market" low, compared with the 6% hike revealed by the other group. Even more importantly, the capital goods group has been disclosing decidedly better resistance than the consumer goods shares have shown to the down tug exerted by the recent recurrent spells of sharp price weakness (chart).

• **Profit-Taking**—Contributing greatly to this showing has been the large number of recent profit-taking sales involving many erstwhile 1946 favorite consumer goods issues. By late July, in fact, this trend had been sufficiently potent to send S. & P.'s department store and movie indexes tumbling some 19% below their 1946 highs.

THE TREND

OUR LAGGING WORLD TRADE PROGRAM

The Truman Administration and Congress have done a fine job, capped by approval of the loan to Britain, in laying the legislative and financial foundations of a program to rehabilitate international commerce along lines consistent with American trade traditions. If, however, the great promise of these foundations is to be fully realized, those charged with building operating programs upon them must get to moving much faster than they appear to be moving at this juncture.

• **The cashing of loans** to foreign countries is moving along at a brisk pace. But progress toward getting the World Bank, the World Fund, and the International Trade Organization—all key parts of a unified drive for the rehabilitation of world commerce for which the loans were to provide necessary lubrication—seems to be dragging along very slowly. In the meantime, every day the old tortured and twisted structure of international commerce is left in place the harder is the job of disentangling it, and the greater is the scope given for disturbing actions by individual countries.

The possibilities in such actions have been underlined in recent weeks by the decisions of both Canada and Sweden to increase the exchange rates for their currencies. Sweden's move will make it harder for its war-torn neighbors to get Swedish goods they need very badly, and hence in terms of goodwill may ultimately prove something of a boomerang. It may well be, however, that neither the Swedish nor Canadian moves will stir up any retaliation of the sort which attended downward manipulation of exchange rates in the 30's.

• **The fact remains** that the World Fund was set up to handle situations of this character. One of the principal aims of the fund, of which Sweden has yet to become a member, is to establish a system of exchanges that will be stable because it reflects the solid economic relationships that exist between each country and the rest of the world. These relationships change, and exchange rates must be altered. But the fund is a forum that can make the process an orderly one, in which not only the interests of one country, but those of all, get fair consideration.

Of course, the longer the fund takes to assemble staff, initiate studies, and let its members see that it is a going concern the greater is the risk that some of them will decide to act on their own in making exchange rate adjustments. Unfortunately, the probability of a sharp rise of prices in the United States in the coming months enhances this possibility.

The fund probably will not have sufficient staff to make much of a start on its complex task before the end of the year, however. The organization of the World Bank is even less advanced.

Operations of the bank are less urgent than those of the fund because special loans have taken care of most of the emergency financial needs. Also, in raising all the capital it requires, the bank must, among other things, wait upon action by our own state legislatures to make its securities legal investments for investing institutions such as savings banks, trusts, and insurance companies. Even so, its organization seems to be proceeding at a leisurely pace.

The part of the international economic program that lags behind all others, however, is that concerned with the reduction of commodity trade barriers. And continued delay only multiplies the hurdles that must be overcome if this end is to be attained.

• **The present period** presents a unique opportunity for lowering commodity tariffs. World needs are so great that almost no country objects to expanding imports, providing it can finance them. And production has been so disrupted by the war that the opposition of domestic producers in many lands to reduced tariffs has muted, if not altogether quieted.

This year and next will see new production plans being laid. Plant and equipment are undergoing expansion in every industrial nation. Tariffs enter into the calculations of producers and influence this new investment. It is much easier to reduce a tariff before domestic facilities are built to handle the market under a wall of protection.

This country may already have missed its best chance for driving tariff bargains that are politically acceptable at home. A preliminary conference to explore the area of agreement on the U. S. proposal for an International Trade Organization will not be called until late this year. And bilateral negotiations with other countries to reduce tariffs under the trade agreements act appear to be months away.

• **It is up to the United States** to take the lead on tariff changes, for our toughest trade problem is to expand our imports. At the moment imports are at an annual rate approaching \$5 billion. This is high for the U. S. But exports are twice the value of imports. Once borrowers have spent the money that we have loaned them, the export-import gap must be closed.

To accomplish this by decreasing exports will not help. Such a process only promises to cut employment and reduce our import of raw materials from abroad. What is required is a further building up of imports.

Now is the time to set the stage for larger U. S. imports. The World Fund, the World Bank, the International Trade Organization, and the Trade Agreements Act all have important contributions to make to the process. Much more speed is needed in using them.

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